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ABSTRACT

The Guaranteed Job Opportunity Act would make major changes in federal policy on the unemployed. The bill would allow hard core unemployed persons to work on government projects until they find a job in the private sector. The participants would work four days per week for minimum wages or 10% more than welfare or 10% more than unemployment compensation. The testimony for this bill given to the Senate Subcommittee on Employment and Productivity in Washington, D.C., provided by government officials and leaders of civil rights and social justice organizations, covered the following issues: (1) maintenance of infrastructure as an appropriate project for these workers; (2) conditions of the labor market; (3) education and training considerations; (4) economic strategies for full employment; (5) the multi-billion dollar cost of the program; and (6) positive and negative aspects of creating public sector jobs. When the subcommittee reconvened in Illinois, testimony was given by unemployed workers, union members, and representatives of the private sector. (VM)

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S. HRG. 100-166 PT. 1

GUARANTEED JOB OPPORTUNITY ACT

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EMPLOYMENT AND PRODUCTIVITY

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

S. 777

TO GUARANTEE A WORK OPPORTUNITY FOR ALL AMERICANS, AND FOR OTHER PURPOSES

MARCH 23, 1987, WASHINGTON, DC
APRIL 3, 1987, MOLINE, IL

PART 1

Printed for the use of the Committee on Labor and Human Resources

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GUARANTEED JOB OPPORTUNITY ACT

MONDAY, MARCH 23, 1987

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The Subcommittee met, pursuant to notice, at 9:34 a.m. in Room SD-562, Dirksen Senate Office Building, Senator Paul Simon (chairman of the subcommittee) presiding.

Present: Senators Simon and Humphrey.

Also present: Senators Moynihan and Reid.

OPENING STATEMENT OF SENATOR SIMON

Senator SIMON. The subcommittee hearing will come to order.

We are holding the first in a series of hearings on S. 777, the Guaranteed Job Opportunity Act. It is a call for a major change in policy for the unemployed in our Nation.

At the present time, we give too many people a poor choice. If they are unemployed, we give them a choice of welfare or crime, and we have to give people a better choice than that.

I am pleased to have as cosponsors Senator Moynihan, Senator Reid, Senator Harkin, and Senator Mikulski. Let me just take a couple of minutes before we hear from our distinguished witnesses this morning to outline very basically what the bill does.

The bill says if you were unemployed for five weeks and could not get a job, then you would have a job available through the government, through a local committee of 13 people who would select job projects. The job would be project oriented rather than placement in a particular organization, which was the basis for CETA placements. Participants would work 32 hours a week, at the minimum wage, or 10 percent above welfare, or 10 percent above unemployment compensation, whichever is highest. Thirty-two hours a week even at the present minimum wage is $107 a week, $464 a month. That is higher than the average welfare payment in all but three States.

The State of Illinois, for example, is fairly generous. The average monthly payment in the State of Illinois is $312. In addition, there would be a screening process for people who come in to the program. If they do not know how to read and write, they would be put into a program to learn how to read and write. If they read and write at the third grade level, they would be encouraged to improve their skills. If they cannot speak the English language, we would try to get them into a program where they would learn. If

they have no marketable skill, we would encourage them to participate in training programs to obtain a marketable skill.

We would invest in our people, a very fundamental investment that has to be made. Then the local committee would pick the projects. Participants would work four days a week. They would have to continue to try and find jobs in the private sector. That, very basically, is the program.

I would add that it differs from many other welfare reform programs in that it does not require that people go on welfare. We should not force people to become paupers before we help them. This bill simply requires that you be out of work five weeks before you are eligible for these jobs.

There is no one who has done more reflecting on where we are going and done it more thoughtfully than the distinguished senior Senator from the State of New York. This Nation is indebted to him for really thoroughly taking a look at this whole problem.

His recent book, "Family and Nation," is the best summary of anything I have seen in spelling out some of the options of where we are headed. We are very pleased to have him as the leadoff witness and I am pleased to have him as a cosponsor.

STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, A U.S. SENATOR FROM THE STATE OF NEW YORK

Senator MOYNIHAN. Good morning, Mr. Chairman.

Senator SIMON. Good morning.

Senator MOYNIHAN. I have a statement which I will ask to be placed in the record, if I can.

Senator SIMON. We will put it in the record.

Senator MOYNIHAN. I cannot fail to notice the similarity between the turnout on occasions in the Finance Committee when we are dealing with children as against when we are dealing with capital gains, and I think your Committee may have the same problem. If it is children, you can find maybe five people, if it is capital gains you need an escort to get down the corridor. All right, we are here.

Sir, I would like to go through briefly with you some experiences of mine in this regard and some elemental numbers and then open myself to such inquiries as you might have.

First, if I might say, I have come before you as a some-time Assistant Secretary of Labor who was involved under President Kennedy and under President Johnson in the beginning of the formal manpower policies of the United States. The Manpower Development and Training Act of 1962 was in ways the only major achievement in domestic legislation that President Kennedy lived to see. The Civil Rights Act is his legacy, but it came in the aftermath of his assassination, and with it came the manpower report of the President which comes out once each year and was very clearly intended to be not a supplement to but a companion to the Economic Report of the President. There was recognition that it was coming in those days, but these two things did not quite always match the Employment Act of 1946, which created the Council of Economic Advisors, and the Economic Report to the President and the Joint Committee on the Economic Report all had as their assumption the connection to economic growth and full employment and the capac-

ity at some levels of the government to influence both of these things.

By the 1960s, we began to see something was not—that connection was imperfect, as your chart shows its imperfection, how greatly varied levels of unemployment can be for different persons, different age groups, different locations, and it was with that very clear understanding—we did not necessarily know why, but we knew that the simple economic growth does not translate into full employment at all.

For the early years of the Kennedy administration it was thought, we talked about unemployment as a kind of surrogate for economic growth, but then economic growth began very handsomely and unemployment didn't change as much as it should and it got worse in some ways for some groups, and that was our realization.

It is in part that which led President Kennedy in 1963 to think that the issue of poverty should be made a theme of his 1964 election. He was not having much success with these efforts up here and he needed to be dramatic and factual about it and I was one of the group that was working on this at the time of his assassination, and President Johnson immediately picked it up.

We had one bit of data, you might say, one real batch of information about who was coming into the American work force and that was the information on young men called up for the examinations under Selective Service. At that time, they represented a third of the male population, much of the male population went right through the stream and you could reconstruct it as if it was the whole population.

Did I say a third? It was higher than that, but in any event President Kennedy in 1963, in January, had established the Task Force on Manpower Conservation and in effect we re-constructed our experience State by State as if we are talking about the whole population.

At the time, one-half of persons called up failed either the mental test or the physical test or both. When we adjusted for the whole range of the population, we had a report which we gave to President Johnson on January 4 of 1964, called "One-Third of the Nation," and it took us back to President Roosevelt's phrase about a third of the Nation ill-clothed, ill-housed, ill-fed, and we found that it examined the whole population and one-third would find themselves either physically or mentally or both unqualified to serve in the Armed Services.

And if you thought it was just the weather in the country or whatever, you could find no, no, great difference between different States in the exact same tests delivered by uniformed Army personnel. In the North Plains, out in the prairies, you would have incidence of failure in the mental tests down around 3.2 percent, it was almost at the level of the incidence of low IQ in a large population. In other States such as mine, such as Massachusetts and Mississippi, had huge rates of failure in the same test, the same people, different school systems, and obviously the way you treat people differently is you have different outcomes.

The other thing we found was that the first time we began to realize that the Nation in the 1930s, under the New Deal, under Harry Hopkins and Francis Perkins, had established a very consid-

erable program for taking up slack employment, finding a reserve system of persons and picking young persons who could not find work and get them into the work force.

We found that all had been put in place and then a rather mindless Congress, under the influence of some persons who never accepted the New Deal, in the midst of World War II, abolished those programs. The CCC disappeared, the WPA disappeared. They could have been put down on hold, instead they were abolished altogether, and getting them reconstituted was always a problem.

One specific thing happened: We never got over, even though the CCC was the most popular of all the New Deal programs, the idea of public works never somehow got accepted. And let me report a little known incident, which is that on March 16, 1964, Sargent Shriver, and I accompanied him along with Adam Walinski, went to the Cabinet Room to present the plans for the poverty program to President Johnson and the Cabinet.

We had all the things that you are pretty much familiar with, the education, community action and things like that, these became Head Start and Upward Bound. We also had a two-million person employment program that was to be financed by an increase in the tobacco tax.

President Johnson listened to us with great attention as we were describing the antipoverty program to him until we got to the job program, whereupon he announced that this is an election year, we were cutting taxes, not raising taxes, and I am afraid turned around and picked up the telephone and called somebody else and that, for practical purposes, was the end of the Cabinet meeting.

But it was not the end of the problem. To the contrary. Teenage unemployment began to be one of the most conspicuous failures of this whole economy, and you see it right over there on your chart, the teenage unemployment. There is no society on earth, none, no society on earth would have as a routine a third of its minority teenagers, whatever the minority might be, unemployed. There are many places where the young people do not make much money, but they are working, they are doing what people let them do and their productivity is not very high but they are working in the right field and they are working in the forests or in the cities. They are just not—that is the legacy of not having done anything in the sixties when that little window opened that we could.

I think another window is opening now, sir. I want to congratulate you for it. We have been trying to get an American Conservation Corps by this administration for four years or so. We passed it once and the President vetoed it, but we will try it again.

You have an employment program. I have one thing I want to say to you that is specific about S. 777. It sounds lucky, good. In one way our luck is looking good. That great baby boom which crashed through every American institution, one after another crashed into the American institutions that take people through their adolescence, their childhood, their infancy, childhood, adolescence, early middle age, and overwhelmed the maternity wards and overwhelmed the kindergartens and overwhelmed the high schools and wrecked all the campuses and smashed into the work force, it is over. It is over. Thank God. It has finally spent itself, the wave is

down and it is drifting towards its fifties and will be heard from no more until retirement.

In a way it did overwhelm institutions. I do not think we have any sense of this. We talked of a group of people age 14 to 24 as the people who really caused difficulty for any society. They come in as children and they leave as adults, but in between, God, do they cause a lot of trouble. They also, you know, do all the wonderful things, too. They run the fastest and sing the best and so forth, but they also cause the most—you have to teach them to be whatever it is you are. If you are a Russian, you have to teach them to be a Russian, you have to teach them to be an Argentine, you have to teach them to be an Eskimo, you have to teach them to be an American, or whatever.

From 1890 to 1960, the size of that cohort grew by 10.8 million people. In seventy years it was up by 10.8 million people. In one decade, it grew by 11.6 million. That is what smashed through everything. The institutions just could not handle it.

In the last decade, it grew by 800,000, which was an historic figure, and in this decade it dropped. My point, sir, is we are on the verge of a labor shortage. Anyone who tells you that you are doing something out of the goodness of your heart, which is a great heart and a good heart, say that may be but you are also doing something to guarantee that an aged population in the second quarter of the 21st Century does not find itself absolutely destitute because the people who came behind it were not trained for the work that was available for them but which they could not do, and that is why you are just on the edge of this thing.

Here are a couple of numbers: Age 16 to 19, which is about your average high school graduate population, right now in 1987 there are 6.7 million people that age. A decade from now, there will be 5.5 million. You are short 15 percent. We have been going up, up, up all this period of time, and now we are going down.

Take your college population, college age. Today, you have 13.1 million people. In 1995, you are going to have 10.1 million. You are suddenly 3 million people short, and I mean short, Mr. Chairman.

If you look at the demography, we have no idea how much it is changing and how short of people we are going to be, particularly as we approach an age structure in which a quarter of the population will be 85 years or older.

Would you listen to me just one minute, Mr. Chairman? I do not think you ever heard this. You were listening, of course, but I am just saying we now project in the Census Bureau a time out there, which is in our Social Security numbers—we have to keep these numbers—where a quarter of the population is 85 years of age or older.

Now, who is going to keep that population going? The high school dropouts of the 1980s? Not on your life, and you know that.

We have been holding hearings on welfare——

Senator SIMON. May I interrupt. Did you say that we face the point where a quarter of our population will be 85 or older?

Senator MOYNIHAN. I do not say, the Bureau of the Census says, sir. This is in their December 1986 statistical brief. Today, one in 100 Americans is 85 years or older; in 2050, one in 20 persons could be so, so persons 85 and over could constitute one-quarter of the

older population by then. I got that slightly wrong, but of a population that will be about a third, they will be about a sixth. That in fact is about how high it is.

And here is Governor Kean of New Jersey, who was testifying before us in our Subcommittee on Social Security and Family Policy just a week ago. He said in New Jersey he expects his State will create 600,000 jobs in the next ten years. He says they do not have enough skilled workers to fill these jobs. He says many of these jobs are going to have to be filled by the women and children who today are on the welfare rolls or who are unemployed. He said he does not see the people there for the jobs that will be there. This is a new change. This is a new circumstance for us.

And Governor Ashcroft of Missouri said that in his State the labor force growth will fall from its 20 percent rate in the seventies to 13 percent by the end of this decade, to 9 percent in the 1990s, and in the future—and I quote him, 9 percent as against 20 percent in the seventies—future Missouri employees are likely to find entry level workers in especially short supply.

What I mean to say, Mr. Chairman, is this, that the timing is with you. You are not only proposing to try to provide the levels of full employment which this country solemnly undertook to do in 1946 in the Employment Act, the commitment we made and have never kept, but you try to do it when the tides are running with you, so it can be done. The job is not yet as difficult, but just as important, if you do not do it, if we do not do it, if we do not enact S. 777, we are going to look up in about forty years, thirty to forty years and find that the condition of our elderly is seriously impaired because we have not looked after the youth that will then be adults and have to take care of them.

That is the end of my testimony.

[The prepared statement of Senator Moynihan follows:]

Statement by Senator Daniel Patrick Moynihan

on

The Guaranteed Job Opportunity Act of 1987 (S. 777)

Subcommittee on Employment and Productivity

Committee on Labor and Human Resources

Monday, March 23, 1987

SD-562, Dirksen Senate Office Building

Mr. Chairman,

Thank you for the opportunity to appear before the Subcommittee on Employment and Productivity to talk about your Guaranteed Job Opportunity Act. I am pleased to join you as a cosponsor of this legislation.

American Conservation Corps Act

I reintroduced the American Conservation Corps Act (S. 27) on the first day of this 100th session of Congress. My bill, which shares the objectives of your bill, Mr. Chairman, is patterned after the New Deal's Civilian Conservation Corps. The ACC would put disadvantaged youths, aged 16-25, to work providing much needed conservation work on federal, state, local, and Indian lands across this nation.

Historical Precedent

In this era of Gramm-Rudman-Hollings, my American Conservation Corps Act and your proposal to guarantee a 32 hour per week public job for every American who wants to work must strike some as quite revolutionary.

In fact, we have a splendid historical precedent for a program such as the one you propose in the Works Progress Administration (WPA). The WPA grew from the conviction of Harry Hopkins that "work relief" for the able-bodied unemployed was much to be preferred to the payment of "direct relief."

Hopkins was an Iowa college boy when he came to New York in 1911 to work in a settlement house. He eventually rose through the ranks to direct New York State's public relief operations. When Congress authorized $500 million for public

relief in 1933 and created the Federal Emergency Relief Administration (FERA) to distribute these funds to the states for direct relief, President Roosevelt asked Harry Hopkins to manage the federal effort.

What Harry Hopkins sought, however, went beyond mere "work relief." Not unlike the Community Work Experience Program ("workfare") of today, the work "reliefers" of the early 1930s were assigned to a project where they could work for the value of their cash grants.

Hopkins wanted public jobs for the unemployed. He believed, as do many of us today, that the unemployed were mostly good people who wanted jobs, not welfare. He reasoned that a job meant more than income; it meant competence, dignity, being useful. He argued that unemployment relief should not mean only income, but a real job. Roosevelt agreed.

In January 1935, Roosevelt proposed a bold new program. The government would get out of the relief business for the unemployed. FERA would be replaced with a new permanent program, a program that would provide the unemployed with real jobs. For the longer range, the federal government would introduce measures for social insurance that would prevent or minimize such calamities in the future. The new permanent program was the Works Progress Administration and the social insurance and public assistance titles of the Social Security Act.

Programs that Worked

The most successful of these New Deal work programs were designed for young people, the best example being the Civilian

Conservation Corps (CCC). The CCC was set up in March 1933 to employ men aged 18-25 whose families were on relief. They were sent to camp and paid $30 per month, of which they had to send $25 home to their families. The Army ran the camps, and the Department of Interior or Agriculture helped plan the projects and supervised them.

The CCC was relatively small, although enrollees numbered 600,000 in 1935. Over the nine years of its existence, the CCC employed 3 million young men and did $1.5 billion worth of conservation work: constructing over 150,000 miles of trails and roads; stringing 85,000 miles of telephone wire; and constructing or repairing 45,000 bridges.

The WPA was the more significant program. Between its inception in 1935 and 1943 when the program was phased out, it spent $11.4 billion. At is peak, in 1938, it employed over 3.3 million workers. WPA workers built 651,000 miles of new roads; built or repaired 124,000 bridges and viaducts; built 35,000 new buildings; and constructed 353 new airfields.

Times Have Changed

Much of President Roosevelt's New Deal dream came true. We have a social insurance system that protects against loss of earned income due to unemployment, disability, and old age. We have public assistance programs that provide for the indigent elderly, disabled, and dependent children. Where the elderly and disabled are concerned, we have done wonderfully well. Where children are concerned, we have much yet to do.

I have recently completed five hearings in my own Subcommittee on Social Security and Family Policy examining the problems of providing adequately for children. There is strong agreement that parents must be primarily responsible for the financial security of their children and a heartening consensus has emerged around three themes: First, absent parents (usually fathers) must contribute a portion of their incomes to their children. Second, custodial parents (usually mothers) should work, at least part time, to help support their children. Third, to the extent that child support and earned income are insufficient, public subsidies must be made available.

Unemployment and Crumbling Infrastructure: We Need Public Jobs

Perhaps the most difficult of these three objectives is helping able-bodied poor adults to find jobs. After all, an unemployed father cannot pay child support. A mother without a job cannot help support her children.

At the moment, we have too many working-age people and too few jobs to go around. Although it has come down from its post-Depression high of 9.7% in 1982, the civilian unemployment rate still hovers just below 7%.

In addition, we find that of the jobs that are being created, too few can support families at a living wage. In a December 1986 study prepared for the Joint Economic Committee, it is reported that 58% of all net new employment between 1979 and 1984 paid annual wages of less than $7,000. Full-time work at the minimum wage provides an annual salary of $6,968. The

poverty threshold for a non-aged family of two persons in 1986 was $7,370.

Aside from the still unacceptably high unemployment rate and low-wage problem, we also are allowing this nation's infrastructure to deteriorate. Some public facilities are so lacking in maintenance that they pose risks to public health and safety. This problem is widespread, not limited to a few cities or geographic areas.

Take, as just one example, the plight of bridges. According to the September 1986 report of the National Council on Public Works Improvement, 574,000 bridges were inspected in 1984. Of these bridges, 141,000 (or 25%) were found to be "structurally deficient" and another 119,000 were found to be "functionally obsolete but structurally sound." Bridges, highways, railways, waterways, waste treatment systems -- they all need maintenance, repair, rebuilding.

And so it sounds as if we have a match made in heaven. The nation's infrastructure -- critical to the functioning of the U.S. economy and to our ability to remain competitive in international markets -- needs work. Millions of adults are in need of jobs.

Given our present circumstances, therefore, it is logical to establish a public works program such as you propose.

Changing Demographics and Implications for the Labor Market

Still, nothing lasts forever. Our present circumstances will change. As the baby-boomers continue to age, we will witness a dramatic shift in the age structure of our population.

According to the Bureau of the Census, by 2010 (only 23 years from now), the age group under 35 will have virtually stopped growing. By 2030, the age group under age 65 will stabilize. The number of persons aged 65 and over will increase sharply, however, beginning in 2010.

This "graying of America" will push the median age, now 31 years, to over 38 years by 2010, and to 42 years by 2050.

Simply put, children are becoming a scarce resource. The birth rate in this country dropped to an historical low of 1.8 children per woman a decade ago and the fertility rate has been below the level necessary for population replacement for 14 years.

Today's children are tomorrow's labor force. The numbers are inescapable: We will eventually find ourselves in the unusual position of not having enough young workers to fill the jobs that power this nation's economy.

At one of my Subcommittee hearings last month, we heard testimony from a number of governors who anticipate labor shortages in the near future: Governor Tom Kean of New Jersey reported that his state will create 600,000 new jobs in the next 10 years. He is concerned that his state will not have enough skilled workers to fill these jobs. He noted that, "Many of these jobs are going to have to be filled by the women and children who today are on the welfare rolls."

In the same vein, Governor John Ashcroft of Missouri told us that in his state, labor force growth will fall from its 20% rate in the 1970s, to 13% by the end of this decade, to only 9%

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in the 1990s. He concluded that, "future Missouri employers are likely to find entry-level workers in especially short supply."

Education, Training, and Work Programs

The demographics make things plain. In the near term, we need to create jobs for an abundance of working-age adults, many of whom are supporting children. We have a choice between welfare checks and paychecks. Among federal and state officials, program administrators, and those who participate in the programs, there is overwhelming support for paychecks. Your legislation would take a giant stride in the right direction.

In the longer term, we must look to our children, our future labor force. We must lift them out of poverty, assure their access to health care, and provide them a decent education. I will soon introduce new legislation to improve the way we provide financial support to our children.

With the interest of the President, the nation's Governors, our friends in the House, and the help of our colleagues on both sides of the aisle, I expect we will do something to help unemployed adults and poor children in this 100th session of Congress.

Senator SIMON. I thank you very, very much for your testimony. First of all, your opening statement—no huge crowds, nobody waiting out in line, but if it were a capital gains bill they would be lined up half-way down the halls—is absolutely correct.

Senator MOYNIHAN. Is it not always true?

Senator SIMON. It really says something about where we are.

The one group we did not put on that chart, is the unemployment rate of the handicapped, because we would have had to create a bigger chart and the line goes way off the chart. And I see LaDonna Harris here. If we were to put Native Americans on that chart, it would be way off the chart.

You mentioned several interesting facts; every time I hear Pat Moynihan, I learn something. You are a little bit like Bill Proxmire's opening statements every morning over in morning business. You really learn something about where this country is going.

You mentioned two million jobs, you and I believe Sarge Shriver and Adam Walinski were recommending to President Johnson in, I forget what year it was——

Senator MOYNIHAN. 1964.

Senator SIMON [continuing]. In 1964. What was the unemployment rate in this Nation at that point? Do you recall?

Senator MOYNIHAN. It was an outrageous 5.4 percent, thought to be intolerable. We have not raised it since. We have let it drift up to where 7 percent is thought to be something special, not double-digit.

I think I see your point. In 1963, the great argument broke out between the Department of Labor and the Council of Economic Advisors, which we should remember was established under the Employment Act—we forget that—about what should be our goal for employment/unemployment, and the Council said let us make it 4 percent, that is what we want to get to and we thought that is just not good enough at all, we said at Labor, absolutely not, 4 percent unemployment, settle for that?

And so the Economic Report came out with an interim goal of 4 percent. It can be done. Massachusetts has an unemployment below 4 percent today. It is do-able with a well-trained work force, with people who are—when you look after your people, but as a nation we hang around twice the interim goal and have gone to three times. We have been up as high as 12 percent in this decade. I mean what a waste.

Senator SIMON. You mentioned Massachusetts. One of the interesting things Governor Dukakis found was even when the unemployment rate went down, their welfare rolls went up and what it means is that there is an unskilled group in our society that needs to be lifted, which underscores the point you just made.

Senator MOYNIHAN. And you do not have anybody to spare any more. If you thought back, we never had anybody to spare. We acted like we did. We clearly do not any more.

Senator SIMON. Let me make just one final comment. You mentioned this is the right time for this legislation. There are those who say, well, President Reagan would never sign any bill that looks like a modified WPA. We have from the book by George H. Smith, "Who Is Ronald Reagan?", this paragraph:

Now, a lot of people remember it—that is the WPA—as boondoggles and raking leaves, as President Reagan noted, but that was not right. "Maybe in the big city machines or something, but I can take you to our town and show you things like a riverfront that I used to hike through once that was a swamp, is now a beautiful park-like place built by WPA. There are other good things that a WPA had done for Dixon," Reagan added, his voice vibrant, "such as improvements in the town's airport."

I am not at all convinced that we cannot get the President of the United States aboard in the right kind of a program here.

Senator MOYNIHAN. Why do we not find out?

Senator SIMON. Let you and I and Senator Harry Reid pay a visit on the President and see if we cannot move in that direction.

I thank you very, very much for your testimony.

Senator MOYNIHAN. Thank you, Mr. Chairman. Thank you for your legislation and I am proud to cosponsor.

Senator SIMON. Thank you very much.

Senator MOYNIHAN. I am glad to see that Senator Reid is here and he has been very patient in waiting for me.

Senator SIMON. Senator Harry Reid, I am pleased to have you as a cosponsor, a fine new Member of the Senate, a former Member of the House.

I have not seen your prepared statement, but if you do not include your experience with the homeless, I hope you will add that in your testimony here.

STATEMENT OF HON. HARRY REID, A U.S. SENATOR FROM THE STATE OF NEVADA

Senator REID. Thank you very much, Mr. Chairman.

Before coming back to Washington five years ago or thereabouts, I was a trial lawyer and I tried scores of cases before juries, and one of the things that I was taught was that when you had a case and you were making a presentation to the jury, you never referred to the other attorney.

A number of lawyers would always say, you know, I could never do as well as that person that gave the closing argument, so the rule was just do not refer to the other lawyer because it draws attention to something that you may have said.

In this instance, however, just having heard Senator Moynihan testify, I violate one of my own rules and do refer to Senator Moynihan and draw attention to Senator Moynihan, because his testimony was brilliant, especially his giving the historical perspective that he did to the legislation, something that most cannot do.

I would hope that the record speaks very loudly as to his experience and the perspective that he gives to the legislation, which is something that most of us here that serve in the Senate cannot give, because it was brilliant testimony and I underline and applaud and commend Senator Moynihan for that testimony.

Mr. Chairman, I appreciate the opportunity to appear before your Subcommittee and I am very proud to be an original cosponsor of this legislation. Because you ask, I will relate an experience that I had in Nevada about five or six weeks ago.

I, in disguise, spent some time among the homeless in Las Vegas. I did so without any TV cameras or anything that would indicate my presence, because to do so would take away from what I was trying to learn.

What I did learn was something that could only be experienced, and trying to relate to you my experience is difficult to do because you have to be there to appreciate it. But I had a theory before going there, which is now no longer a theory but as far as I am concerned is a fact of life.

The theory is the majority of the people in those homeless shelters in Nevada are people who want to work. I give one example—I stayed in a homeless shelter which is near an economically depressed area, and it is an area where people have for years driven to the corner of D and Bonanza, pull up there and if they have need for some casual labor, this is where they go and people line up there by the hundreds hoping that someone will come by and give them an opportunity for work.

What might the work be? It might be a two-hour job, it might be a job that will last ten days. People fight for those jobs, literally fight for those jobs. The stronger, the faster you are, the more chance there is to get the work, because people drive up in vehicles and you run to that vehicle and try to sell yourself to that person in the car.

This is not unique. I am convinced that this is not unique. It is not unique to Nevada. These people, their main desire is to get a job. I think, Mr. Chairman, that it is a tragedy that in a country like ours, with the natural resources, the opportunity that people think we have, that people cannot find work.

There are millions of people, not hundreds, not thousands, but millions of people who want the opportunity to work. Your legislation that I am now associated with is a significant step toward addressing this national problem.

People under this program would have a chance to work, rather than simply live on the dole and do nothing. Can you imagine the money that we are paying to people to do nothing? This program is a cooperative effort, and I think we have to stress that between business, between labor and government. It reflects the best of the past jobs programs, such as Senator Moynihan spoke of, the Works Project Administration, the Civilian Conservation Corps.

I grew up in a little small mining town in the southern tip of the State of Nevada. I still can go there, as I wish I had more time to do—my brother still lives in that little community—and there are places there that the Civilian Conservation Corpsmen built that are still there. Over fifty years ago, they built a place that means nothing to most people unless they have lived in the little town of Search Light, called the dipping vat. It is a place which they built facilities including a windmill, they built a place where people could take care of their cattle, they had water holes called Ten miles, Six miles. They are still there, as good as new, and they are still used.

There are places like this all over the United States that people on welfare, you know, these people were welfare recipients. They are not like the welfare recipients now that are stereotyped, who

do nothing. They were welfare recipients who built things, who contributed to society, whose families were proud of them.

Long-term unemployment is a tragedy of tremendous human cost. It strips a person of dignity and self-respect, it strains the bonds that hold the family together. Children scorn their parents.

In a publication I just read, written by yourself, you did an excellent job of giving case histories of what unemployment does to families. These people who are looking for jobs are not people who are misfits of society. These are people who want to work. Some have become misfits of society. As your book illustrates graphically, they have lost the respect of their own children. Divorce ensues because they are not able to work.

This year we hear so much about pro-family legislation. There is not a piece of legislation that I am familiar with that is more pro-family than this piece of legislation. Many of the people who are running around talking about pro-family legislation, should spend their time looking at this legislation. This is pro-family legislation. This is legislation that will build and unite families.

This bill would relieve a main source of family disruption, that is the non-ability to work. It is also an opportunity for these people to become more productive through education, training and fundamental job skills. The screening process incorporated in this legislation would identify people who need further education. The work projects would instill in people the responsible habits of showing up for work consistently and on time, of working a full day, in a structured environment to look for a job.

They can build a sense of responsibility, along with building parks and trails and planting trees and helping kids learn to read. In addition, this legislation would correct what I feel is bad policy regarding Federal assistance. And this is what I talked about earlier, about paying people for doing nothing.

People do not improve themselves through training or better opportunity, by producing nothing. This legislation would produce better people by teaching them to do something, by allowing them to be able to do something.

Mr. Chairman, as a Nation we are confronted with a host of problems, and that is the job that we find ourselves facing every day, problems relating to crime, teenage pregnancy, teenage suicide, decreased productivity, a crumbling infrastructure. We cannot even get legislation passed that the administration is not going to veto that talks about building roads that are crumbling, even though it is no new tax dollars. It is trust fund moneys. People, when they buy a gallon of gasoline, they pay money into a trust fund. We cannot even get that legislation passed even though it creates jobs.

So we have a crumbling infrastructure and we are fighting to build. We have the decline of the family unit. So these are only a few of the problems that we face on a daily basis.

Again, Mr. Chairman, as you state in your book, unemployment is the major problem that causes the things that I have just talked about, not a problem but the major problem that leads to crime.

I am reading a book now that is on the Best Seller List. It is called "The Fatal Shore," by a man by the name of Hughes. It talks about building the country of Australia and, you know, the

country of Great Britain in the late 1700s and early 1800s had a problem, they had massive unemployment. They had crime that was running rampant, and Australia basically was peopled with persons that Britain had no place to put. The prisons were full. They even used what they called hulks which were boats that could no longer sail, they would bring them in and stick them along the docks and put prisoners in them.

Well, we do not have to imagine much to see the parallel to what we have in our country today: Massive unemployment, we now accept 7 or 8 percent as if it is good because it is not double digit, as Senator Moynihan said.

The State of Nevada is an example. We have more prisoners per capita than any State in the Nation, but many States are not far behind us. We are filling our prisons. We cannot build enough prisons to keep our prisoners in, and I say that the major cause of that, is unemployment—people cannot work.

So it is time, Mr. Chairman, to come to grips with this issue, this issue of unemployment. I hope and I believe the support in Congress is there. We just have to be able to draw this support out of our colleagues in the House and in the Senate. I hope that this hearing is the first of what I hope is to become a nationwide debate on full employment.

I strongly believe that through this program we can turn the national liability of unemployment into a national asset and tackle projects that our communities need, to spur economic development and that our Nation needs to bring us into the next century.

Thank you very much.

Senator SIMON. I thank you and I am pleased to have you as a cosponsor. I think you have put it well in two respects. One is that we face a choice of paying people for doing nothing or paying people for doing something and not let people starve, and the choice ought to be clear. We also have the opportunity of turning a liability of unemployment into a great national asset. We have all of these things that need to be done.

I go back to your experience, because I think it is unique as far as I know among our colleagues. Some of them have spent some time with the homeless, but everyone knew they were—and I do not say this in a disrespectful way, but everyone knew they were members of Congress. Tell me about how you did it. Did they know Harry Reid was a Senator when you spent the night?

Senator REID. No.

Senator SIMON. Was it one or two nights with the——

Senator REID. No. Mr. Chairman, I went in disguise. I did not talk much. I listened. I was just one of the people there. It was an interesting opportunity. I stayed at a place called the Las Vegas Rescue Mission and I learned all kinds of new things. I did not know what Sallys was. I kept hearing that some of them were going to go to Sallys for breakfast. Sallys is the Salvation Army in street talk.

I try to have a routine of physical exercise but, I will tell you, getting on that top bunk was not easy, not like the bunk beds that I have at home where you have a nice little ladder to climb up. And getting off was even harder.

At about 1:00 in the morning, the night that I was there, I heard this crash and scream. Someone had fallen off one of those top bunks. It was interesting to see the people, to talk to the people that were there from all walks of life.

As I indicated, over half of them without question were there because they had no place to work, they had lost their families. One-third of the homeless are families. And as I walked out early in the morning, they started lining up at D and Bonanza. I did not sleep well, so I got up early and walked out on the street and was out there before 5:00 o'clock and people were already lining up to go to work, and it was cold. It is southern Nevada, but that desert air is very cold and it had rained the night before, one of the rare times in the desert that it rains. People were lining up there to fight for the jobs, to jockey for position, hoping someone would come real early.

Senator SIMON. And when you said they were lining up for jobs, it was for any kind of part-time or temporary job that would come along, correct?

Senator REID. These were casual labor jobs where people drive up in a vehicle and these men run to that vehicle. I mean there is no—it is not an orderly thing. Scores and scores of—well, I would say at least 50 to 60 vehicles come there from 5:30 to 7:30 in the morning, wanting anywhere from one to ten people, and they run to those people and the vehicles pull up at different places. They do not always pull up in the same spot, so it is not single-file. People are lined up there in all different positions waiting for a vehicle to come.

Senator SIMON. The homeless legislation we have by and large looks at the shelter problem, and I am not suggesting that we should not look at the shelter problem, but that is not the number one concern of the homeless people that you discovered.

Senator REID. Or a place to sleep, no. A place to work. In fact, I addressed the legislature a few days after, the State legislature a few days afterwards, and I told them in order of importance, jobs came before food, people wanted to work.

Senator SIMON. And if they can get the job, they can get the food and they can get the shelter.

Senator REID. That is right.

Senator SIMON. They lined up, if I heard your testimony correctly, at the corner of H and Bonanza.

Senator REID. And Bonanza, that is right.

Senator SIMON. Life for a lot of people is anything but a bonanza in our country these days.

Senator REID. That sure is the truth. I had not pictured in my own mind the play of the words, because I know that area so well, but it is not a bonanza for those people, no.

Senator SIMON. You also made a point that I think is important, this legislation calls for cooperation between labor and business and government, the kind of cooperation that frankly we have to have as we move along, and you make the other point that it is pro-family, as pro-family as any legislation that we can pass in this Congress.

Senator REID. You know, Mr. Chairman, I know that people mean well and they certainly have causes to plead before Congress

and State legislatures, and that is fine and I am telling you however, that all the pro-family legislation pales in comparison to the importance of this legislation all involved and they are all way down on the list. This is the most pro-family legislation that I have had anything to do with since I have been in the Congress, because if we are able to do something with the major problem that faces this Nation, unemployment, all the other problems will be alleviated.

Crime, there of course have been studies done on this, but why do people turn to crime? In many, many instances, of course, it is because the family structure is breaking down, and why does it break down? With rare exception, it breaks down because of the work situation, the employment situation. This is why this is pro-family legislation. I am only sorry that that aspect of it has not been picked up, because, as Senator Moynihan spoke about, can you imagine that we have—and this is one of the better employed minority groups in this country, black teenagers, 40 percent of them cannot find a job.

No other country has such low employment.

Senator SIMON. I thank you very, very much. I think we have learned much from Senator Moynihan and Senator Reid. We thank you very, very much.

Senator REID. Thank you, Mr. Chairman.

Senator SIMON. We are proud to have you as a cosponsor.

Next we are pleased to have someone who is very familiar with these halls here, LaDonna Harris, President, Americans for Indian Opportunity.

We are very pleased to have you as a witness.

STATEMENT OF LaDONNA HARRIS, PRESIDENT, AMERICANS FOR INDIAN OPPORTUNITY

Ms. HARRIS. Thank you, Senator. Thank you for inviting me to testify before your Committee and also to say what the conditions are in the Native American community.

Particularly, before that, as you know, as you said, I have been around this town for quite some time and having served on the Committee for Full Employment, I guess for almost fifteen or twenty years now, I just want to say that I truly believe that a job is an American right, and I think your introduction of this bill brings us to that battle again or tries to bring it to the attention of the American public so that we can make sure that that struggle continues and that we make it a reality for all Americans.

With the change of high-technology and the advancement of skills, it leads me to the problem that I want to discuss with you and perhaps I am more familiar with, and that is the American Indian community.

As President of Americans for Indian Opportunity, I have an opportunity to observe this and also to make it a part of our life study.

We were beginning to break the cycle of unemployment and productivity during the Great Society years. We could see some changes taking place as tribes struggled to get back their natural resources, as tribes started developing their natural resources. And just as we were about to arrive at a certain point in our history

where we could make some difference in our own communities, the slump in the economy has taken a great toll and the cutback on human services programs which, not because of our own making but because of policies throughout the years, has created this dependency on those programs, so you can see that we are in great need.

We have the highest unemployment rate in the country. In many communities, we have as high as 65 percent, and that is just unconscionable. Can you imagine a community that you would exist in, that they would have this kind of unemployment rate?

If it were not for the solid family community, solid tribal sense of belonging and helping each other, I am not sure where our community would be at this time.

But rather than to focus on the negative aspects of it, I like what you are trying to do, is to focus on the possibilities of what your legislation would recommend.

There are two points I would like to make to you. The first is that we are the youngest community in the United States. Our average age is 16. As the rest of the country is getting older, we are getting younger.

As studies have indicated, there is a direct link to poverty and we have the historical problem of having a poor quality of education through the years and that just makes our work much more difficult. So you can see that as we are trying to raise the quality of education within our communities, as tribes are getting control of their educational institutions and providing new ones, such as community colleges, that change is trying to—we are trying to change that trend.

But with the high population growth in our communities, with the average age of 16, you can see that our job is going to be tremendous, not only for the tribal governments providing services for our people, but for the country as a whole, as was indicated by the two Senators who preceded me, in those years of 16 to 21 or 14 to 21, as Pat Moynihan says, those are the years that are quite difficult, so you can see the stress that the Indian community finds itself in.

The other point that I really want to make with you is to recognize that tribal governments are not necessarily under the jurisdiction of the States and that we should be considered as possibilities of establishing executive councils particular and peculiar to us.

As you know, the tribal governments are part of the political fabric of this country and are not under the jurisdiction of the States, so therefore I recommend to you two possible amendments—the recognition that tribal governments may need to establish their own executive councils in order to deal with this issue and to understand the uniqueness of the isolation of the reservation, though that is changing; and also recognition that as tribes are now beginning to develop their own resources, rather than to load our children up, our young people up, off to relocation camps literally in the inner cities and continue to enlarge that problem, we try to stop that trend by making economic development on the reservation a reality. This economic development has only been within the last, literally the last ten years, that effort coming forth mostly from the Indian community. We are having to drag much of

the Federal Government along behind us, and I think if we specify that in your legislation, it would help to give focus to Federal institutions like the Bureau of Indian Affairs and Health and Human Services, to use their resources in a more productive way to help tribal governments establish an economy.

Now, that is a very unique situation. As tribal governments are struggling with their institutions to make them more representative of their communities, trying to establish economic development, we see that as we do that, as we claim our fair share in the Northwest, we develop our timber, as we develop the coal and resources that may be on our reservations, that we are stepping on other people's toes as we are finally pulling ourselves up by the bootstraps, as we have always been told to do, then we find we are in conflict with other jurisdictions and other entities.

So those kinds of things need to be thought through as we proceed with this legislation. I think it is a very unique situation we find ourselves in and I think one that would help not only the Congress but the administration to understand that you cannot just continue to talk about economic development if you do not understand the basis and the historical basis of how tribal governments are represented.

But I think the other more important point is that of our children; the average age being 16 is really dramatic. If you think of the problems that are forced on these fragile institutions tribal governments, which are not getting services from the States, and the human services and education are being cut back by the Federal Government, I think the emphasis you have made on education and skills training are just essential as a part of a job opportunities program.

So I want to compliment you for this and also to thank you for inviting me. I have several books, one a report of the Task Force on Indian Economic Development, that touches on the unemployment program, but it misses the point, which is usually the case, from the Department of the Interior.

"Indian People and Indian Lands", a profile from Health and Human Services, is close to the point. But probably the best report that we have is the "Rural Coalition." This report that I have handed your staff a copy of is the source—for instance, where Wyoming has 7.4 percent unemployment for other people or overall, it is 65 percent unemployment for Indian people. South Dakota, 5.9 percent overall unemployment, but 64 percent for Indian people. That distinction is just outrageous in our American society today.

So if we do not pay attention—and I could go on on a State by State basis, this might be a good instrument for you to use with your colleagues in the Senate, recognizing those States that have Indian populations. I wish I had shared this with Senator Moynihan. The State of New York has 7.0, but its Indian population has 56 percent. So you can see where the average is coming from.

Now, this is a report made by the Rural Coalition studying with a special task force, the Native American Task Force, and this is interviewing—these figures represent Indians age 16 and over who are unemployed, able to work, or seeking employment, and I think seeking employment is a very important distinction to make because there are many who have given up hope.

I think people who arrive at about the age of 35 many times on the reservation will give up hope of ever finding work and do not even go to the unemployment offices to file for unemployment. So these people are not being counted, so the percentages that we are seeing, you could probably add 10 to 20 percent, depending on what regions we are talking about.

I thank you again for the introduction of this legislation as I think it is essential for America to continue to be strong. I would like to focus on making jobs, building those communities, particularly the Indian community, with an economic base that can sustain its people and be as productive as all the rest of the United States. Its first people should be its first consideration.

Thank you.

Senator SIMON. Thank you very, very much. And if I may steal that phrase that you used toward the end, that people had given up hope, my observation from some years in politics now is that the real division in our society is not between Indian Americans and the rest of us or between black and white or Hispanic and Anglo, or even between rich and poor. It is between people who have hope and people who have given up, and what we have to do is give that spark of hope to people and there is no reason in our society we cannot give them that spark of hope.

There are two things that really give that spark of hope: Number one, a job; or, number two, seeing yourself or your children move ahead in education.

On the executive council, your suggestion for an amendment, I should know this but I do not. There would have to be some kind of a population minimum that would be set. Some reservations, for example, would be just too small to make it practical to have their own executive council. Do you have any—maybe you cannot give an answer just off the top of your head, but there ought to be a minimum of "X" number of people before it would be practical to do.

Ms. HARRIS. In reading your legislation, I worried with that, trying to figure out how we might do that. I think perhaps if we could put it on the ratio of need it might give us a balance that would answer that. You know, if we took the population which is low, where the smallest population is, if we took that and related it to need, perhaps we could get a balance that would apply.

My problem is, as I worked, for instance, for the Environmental Protection Agency and other agencies, and many times the Congress, well intended, forgets that the Indian population does not come under State jurisdiction, so therefore the State may count us, physically count us, but when it comes into programmatic delivery——

Senator SIMON. The delivery.

Ms. HARRIS [continuing]. Delivery, that is not there because they say, oh, my goodness, we do not have jurisdiction on the reservation.

Again, I think that is why we find that our needs are so great, because this has been a continuous problem. Unless it is specifically spelled out in the legislation, you will find that we will fall through the cracks, and I think we have fallen through the cracks too many years now and the figures indicate that. So I am not sure

that I can tell you exactly how it should be, but I would love to work with you and I know that there are many other national Indian organizations that would work with you to find that, to develop that kind of——

Senator SIMON. I think your suggestion is a good one and I think we can work something out.

I would add, these statistics that you give me on Indian unemployment are just staggering. The unemployment rate in the Great Depression nationally was about 25 percent. Like you mentioned unemployed rates among Indians are much higher: Wyoming, 65 percent; South Dakota, 64 percent; North Carolina, 39 percent; New York, 56 percent; Nebraska, 60 percent; Minnesota, 59 percent; Iowa, 66 percent. These are just staggering.

Even States that are relatively good, Florida, 26 percent, that is a Depression-type of statistic.

Ms. HARRIS. I think that is what we are finding, as I mentioned, that we have some way fallen through the cracks. There is not an appropriate understanding of the tribal government's jurisdiction and how we fit into programs and how to deliver it, and many times it is left to the Bureau of Indian Affairs to deliver those services and they have become less able, mostly because their role has changed. They have become instead of a service organization, because as tribes come to exert their self-determination powers, their right to exist as a government, the Bureau has changed itself more to a regulatory agency. So again, as our society changes and we try to bring ourselves up and then the roles change and again we seem to fall through the cracks.

So I think what you are seeing is the States probably do not have those kinds of breakdowns because they do not know how to count us. They may count us in a total body count but not in the breakdown in the percentage of unemployment because they do not know how to go about getting us. It has not been a part of their institutional routine to do so.

The burden usually falls on organizations like Americans for Indian Opportunity and others to try to get that information forward to people like yourself and other interested parties.

Senator SIMON. I do not want to put words in your mouth, but what American Indians want is not sympathy but opportunity, is that correct?

Ms. HARRIS. That is correct. We come from societies of people with great dignity and we have unique, magnificent cultures that we represent throughout the country and they are peculiar to the United States. As bad perhaps as some of us find ourselves, we are in this hemisphere much better off than our counterparts throughout the Americas. Having said that, we have such dignity and we are trying to work out our own problems with some understanding of what those problems are, we feel definitely that we can.

The uniqueness of our culture and the differences of our people should be honored by the United States. The United States has sometimes, not as well as we would like, forgotten the treaties, the legal treaties that make us the first Americans and make us a part of the Constitution. As we celebrate the Constitution, we need to remember that we are unique units of government in the United States and we are proud people within the bounds of the United

States and we want to be strong and be a productive part of the United States.

So as we continue to grow and to some degree, even with those figures, we are seeing a marked difference with the level of education and the skills that are coming back to the reservation, with some encouragement in making those resources a reality and looking for new avenues of economic development and job opportunities on the reservation, I think we have a major role to contribute to the United States.

Senator SIMON. One final question. Some people always ask, when you talk about projects. What could people do on any Indian reservations that you might think of? Are there things that need to be done.

Ms. HARRIS. Yes. I could mention housing, for one, and then also you look at the resources. Housing and roads, to break the isolation, but even more than that, if we look at the resources. For instance, the timber tribes in the Northwest could do reforestation, since the results of the clean-cut processes that were allowed in the beginning of cutting Indian timber are just an outrage. You can see the tribes struggling to regain that resource, where they could have a renewable resource rather than just totally clean-cutting it and destroying it.

They are building up their fisheries in the Northwest as well. And you look at the coal and uranium development, particularly the recovery of uranium on the Laguna Reservation in New Mexico, that hole needs to be filled, both for the protection of the people there as an environmental hazard, but also for the aesthetics of that reservation. Unlike any other Americans, we can move from the reservation but we want to maintain our cultural identity and be with our own people and build ourselves strong as a part of America. Most Lagunans cannot leave the reservation now, with the shutdown of the uranium mine, and they are sitting there with this monstrous hole in the ground, the largest in the world—I think Australia is trying to beat that record, but right now it is the largest in the world, so that could be done.

In the tailing mills on the Navajo, cleanup kinds of work could be done. Over in eastern Oklahoma, the old mine pits, there are all kinds of new things that could be done, as the tribes have become more creative in relationship to their resources. I recommend you talk to the Council of Energy Resource Tribe, who started off trying to protect their resources and develop them in a way that is complimentary to their society and also to really make jobs for their own people, that they have been looking at these things.

I know the Winnebago Tribe of Nebraska has just finally broke a 99-year lease agreement with their very productive bottom lands and they are producing corn into fuel and also cycling it, to have their tribe fuel-independent. Then the tribe could have proper heating and gasoline for their automobiles. They can also be food sufficient. The corn can go to making hogs and also growing gardens and the kinds of things that the imagination that is coming out of the Indian community. If they are encouraged, there is just no stopping them, with the new kinds of leadership that are being developed in the Indian community.

Senator SIMON. $464 a month is not very much money: Would there be demand on the reservations for jobs at $464 a month?

Ms. HARRIS. Absolutely. I mean compared to what the economy is on the reservation, indeed there would be. I think that the overgrazing—I am still thinking of your first question. Another thing that could be done is putting the land back, reseeding it from overgrazing, and all the kinds of things that were not really addressed in the 1930s that should have been when we came to constitutional government.

Senator SIMON. The reality is that some of those people are getting $200 a month now, are they not?

Ms. HARRIS. Yes.

Senator SIMON. Or $150 a month. So they are living on the edge of life almost.

Ms. HARRIS. That is right. In Alaska, most of the people there are just subsisting. They actually live off the land still where they can actually still get food. They are not even in a money economy in those isolated villages in Alaska, so that any kind of cash money—many people are very proud of the jewelry that I have on, but it was produced by Indian people whose only money comes from merchandising these pieces of jewelry or baskets, particularly in the isolated places.

Senator SIMON. We thank you, both for your testimony here and for your leadership.

Ms. HARRIS. Thank you, Mr. Chairman.

Senator SIMON. It is a pleasure to have you here.

We are pleased to have next Rev. J. Bryan Hehir, Secretary, Department of Social Development and World Peace, of the U.S. Catholic Conference.

Let me just add, although he is not here on that subject, Fr. Hehir played a very crucial role in the Bishops' statement on what we face in this nuclear age and that was a contribution of immense proportions. We are grateful to you and we are happy to have you here as a witness.

STATEMENT OF REV. J. BRYAN HEHIR, SECRETARY, DEPARTMENT OF SOCIAL DEVELOPMENT AND WORLD PEACE, U.S. CATHOLIC CONFERENCE

Rev. HEHIR. Well, I am glad to be back. I always appreciate the chance to testify before one of your committees, because the kinds of questions you take up are questions that are close to much of what the Bishops do here on the Hill in terms of social policy.

I thought I would open with some brief comments. I have submitted a written copy of my testimony for the record, Senator.

Senator SIMON. That will be entered in the record.

Rev. HEHIR. Essentially, Senator, I would make four comments to open the discussion this morning. First of all, the perspective from which we come to analyze the bill you are proposing and the general problem of employment as a social question.

The Bishops' pastoral letter on the economy, which was issued last November, "Economic Justice for All," opens with a paragraph that says that we will judge the economy by three questions, what

it does for people, what it does to people, and how it allows people to participate in the political and economic life of this Nation.

Those three questions are meant to emphasize that the economy is a human creation. There are many forces at work in the economy, but one of the forces at work is the ability of human reason, intellect and will by policy and planning to shape our economy future and to shape it in terms of those three questions, what it does to people, for people, and how it allows people to participate in the economy.

Starting from the premise that the economy is a human reality and must be judged by its human consequences, the Bishops then go on to say that in their view full employment is the foundation of a just economy or, to put it another way, in the words of John Paul II, work is the key to the social question.

Running through the pastoral letter of the Bishops and running through John Paul II's Encyclical, "Laborum Exertuns," which is one of the fundamental documents of his papacy, is an argument that employment and work are directly tied to the dignity of the person.

We tend to think about work as a necessity, an economic necessity, people need it in order to survive. But in Catholic social teaching, work is not only a necessity in practical pragmatic terms, work is directly tied to a person's conception of his or her human dignity.

To put it in another way, to prevent a person from being able to exercise their human dignity through work is to erode that dignity, psychologically, eventually politically, and so the perspective we bring to this particular question of employment, unemployment and the proposal you are making to enhance employment in this Nation, is that it is a question clearly of great economic significance, but it is a question of pervasive human significance, for the human wastage that comes when people are not able to work, is a question that concerns the Bishops as much as the economic necessities that flow from unemployment.

It is in light of that reality, of the human significance of employment, that the empirical reality we face today is particularly discouraging.

While our economy has done many good things in the last several years, if one watches the unemployment rate it is a more discouraging picture. In this sense, that we have been up to testify only recently on the question of homelessness and the homelessness question is tied to unemployment in our economy. Very rapidly, lack of a job can become lack of a home.

Secondly, an abiding concern of the Bishops Conference is family policies and the family as a social and moral unit. Lack of a job quickly erodes the human family, the foundational element of a society. Then once again, lack of a job quickly erodes a person's sense of their own identity. So the consequences of unemployment for us are tied to a whole series of other concerns that we bring before this Congress.

In addition to looking at the consequences, the empirical consequences of unemployment, one could look at where we have been. Part of our testimony is a 1980 report of the Congressional Research Service that indicates that since 1980 we have created fewer

jobs every year. In addition to fewer jobs every year, the quality of the jobs created often does not allow a person to work and then provide on the basis of that work enough support for their own family.

One of the more controversial parts of the Bishops' pastoral letter on the economy was when they declared unacceptable the prevailing accepted rates of unemployment. They argued that to presume that 7 or 8 percent is the best we can do in this economy and that therefore we must accept that as a given, they argue that that empirical assertion needed to be evaluated in a larger moral framework, and in that larger moral framework 7 or 8 percent was regarded by the Bishops as morally unacceptable as a level of unemployment for a nation of this capacity, economically and humanly.

Now, the question arises, if you think that full employment is the foundation of a just economy, what does a full employment strategy mean? Our testimony argues that we ought to look at four elements.

First of all, a full employment economy is going to have to have a macro-economic strategy that is designed at job creation, a macro-economic strategy that takes as a fundamental reality, the reality that every person willing and able to work should at least have the possibility to work in this society.

That larger macro-economic policy must then be joined to a targeted employment strategy. In that targeted employment strategy, we support the elements of your bill, particularly that join the public and private sector. While the Catholic teaching affirms that the State has a very specific moral responsibility in the face of poverty, in the face of unemployment, we do not think the State ought to do everything.

We do declare a fundamental moral task for the State which should be translated into policies and programs aimed precisely at ravaging unemployment, but we think a public-private strategy is the way to go, and indeed on a whole variety of concerns, what the church tries to do with its own agencies is to match its resources with those of public authorities to meet human needs.

In addition to public and private efforts at new job creation, we think there has to be targeted programs, that it is not enough simply to let the dynamics of the market, if you will, try and deal with job creation. There must be targeted programs because, as your charts indicate, there are very specific problems for very specific groups of people in our society, so we support the kind of initiative that is in your bill which we regard as a targeted program.

Finally, one of the major testimonies we have given this year, as a follow-through on the economic postoral, was the testimony before Senator Moynihan's Subcommittee on Welfare Policy, and we think that in addition to macro-economic policy, a public-private strategy for job creation, a targeted employment policy, the work of this Committee and the question of unemployment must be seen in relationship to our welfare policy, and so the kinds of reforms that we have proposed for the welfare program we think are part and parcel of what we bring before you today.

I have talked about the perspective from which we approach the testimony, the human significance of employment and unemploy-

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ment, I have talked about some of the empirical realities that we think flow from the high levels of unemployment, I have talked about a full employment strategy, I suppose the last question is this budgetary question, about how you fund and finance either your own program or other programs that touch employment and unemployment.

We feel that the Bishops' pastoral letter on the economy should be seen in light of the pastoral letter on war and peace, where we propose a number of measures for evaluating the defense budget.

It is clear that one of the most difficult sets of choices to face us as a nation and that faces the Congress every spring is the kind of choice that has to be made in a deficit-ridden economy, the $200 billion deficit, how do you decide on budgetary levels.

In our view, the budget question is increasingly a zero sum game. That is to say what you spend in military spending is clearly no longer available in social spending. There is no spare change in the American Treasury.

What we have tried to do with these two pastoral letters is to set a frame of reference to evaluate budgetary choices. We are not saying there should be no military spending, but we have advocated a series of criteria by which we would evaluate military spending. We think savings on military spending can be seen and should be seen in relationship to fundamental human needs, like the question of job creation and attacking the levels of unemployment that presently exists in American society.

That is the outline of what we have in our testimony, Senator, and I would be happy to take questions.

Thank you.

[The prepared statement of Reverend Hehir follows:]

Testimony of

Rev. J. Bryan Hehir
Secretary, Department of Social Development and World Peace
United States Catholic Conference

on

EMPLOYMENT POLICY

Before the

Subcommittee on Employment and Productivity

of the

Committee on Labor and Human Resources

United States Senate

Washington, D. C.

March 23, 1987

I am Reverend J. Bryan Hehir, Secretary of the Department of Social Development and World Peace of the United States Catholic Conference. I speak today on behalf of the Catholic Conference, the national action agency of the American Catholic bishops. I appreciate this opportunity to present testimony on the issue of employment amid the policy issues addressed in S. 777, the Guaranteed Job Opportunity Progam which has been introduced by Senator Simon.

I come before this Subcommittee for the purpose of calling attention to some of the moral and human dimensions of these issues.

> "Every perspective on economic life that is human, moral, and Christian must be shaped by three questions: What does the economy do for people? What does it do to people? And how do people participate in it?"

These opening lines from our recently approved pastoral letter, Economic Justice for All, set the general context for my remarks today. I want to address the question of how moral perspectives can shed light on policy choices in the area of employment. How do normative questions of value and human purpose intersect with the hard data of empirical economic analysis in these areas? In short, how can we join the moral and the technical?

As a basis for this discussion, let me briefly comment on the ethical framework that is embodied in our pastoral letter. In line with the Roman Catholic conviction that Christian faith and reasoned reflection on human experience are complementary, not contradictory, the pastoral letter addresses its ethical arguments both to Roman Catholics and to the public at large. The structure of this argument rests on several key principles:

- The dignity of the human person is the criterion against which every economic decision, policy, and institution must be measured.
- Because human dignity can be realized and protected only in community, all people have a right to participate in the economic life of society. Thus, economic policies must be evaluated in light of the ways they include or exclude people from sharing in the economic life of the nation.
- Human rights are the minimum conditions for life in community. These rights include not only civil and political rights, but also economic rights. All people have a right to the basic necessities of life such as food, shelter, medical care, education, and employment.
- All members of society have a special obligation to the poor and the vulnerable. Indeed one of the most fundamental tests for the justice or injustice of economic choices and policies is the impact they have on the poor.

These principles shape the moral vision of our entire pastoral letter. However, they do not lead directly to conclusions about policy in areas such as employment. The move from moral principle to economic policy must be mediated by careful empirical analysis of the issues, by a sustained effort to understand the causes of the problems, and by prudent efforts to assess the real consequences of proposed policy steps.

These basic moral perspectives do, however, provide a distinctive point of entry into the empirical discussion. They provide a distinctive angle of vision for the assessment of empirical and causal arguments about appropriate policy steps in areas such as poverty and employment policy. This angle of vision makes us particularly attentive to the social and human costs that other perspectives on policy might regard as tolerable or might even overlook.

In our pastoral letter, we assert that full employment is the foundation of a just economy. Human work has a special dignity and is linked to the very meaning of life. Pope John Paul II has said that work is "a key, probably the essential key, to the whole social question . . . " Through work, human beings express themselves, actualize themselves. They become more human, more capable of taking responsibility for their lives.

Employment, then, involves more than mere economic productivity. It has to do with the very identity of the human person - - how individuals see themselves. It has to do with their dreams and their visions for the future, with their ability to respect and love their fellow human beings.

If we appreciate this special dignity that is attached to work, we begin to understand the tremendous social and human loss that results when millions of Americans cannot find work. People are, in effect, told: "Society has no productive role for you, there is no contribution which you can make." As a result, alienation and loss of confidence intensifies, leading to increased personal and social distress.

Studies have thoroughly documented the direct and startling relationship between economic distress and increased mental illness, cardio-vascular disease, and infant deaths. High unemployment also frequently leads to greater alcoholism, drug abuse, family violence, and crime. Moreover, it contributes to rising social and racial tensions. Threatened by loss of a livelihood, workers are often tempted to look for scapegoats and may blame minorities, aliens, women or young people, with serious consequences for intergroup relationships.

Of special concern to us is the negative impact of the loss of income and employment on personal and family relationships. Unemployment very often results in the loss of the home itself. It places intense strains on families and is often a major cause of the disintegration of families and communities.

Our nation simply cannot tolerate having more than eight million workers unemployed. America cannot tolerate the destructive impact that joblessness has on its families and communities. We cannot permit the economic costs, the social upheaval, and the enormous human tragedy caused by unemployment. In the end, however, what we can least afford is the assault on human dignity that occurs every time another person is left without an adequate job.

We must resist the temptation to underestimate the dimensions of this problem. The official unemployment figures, as bad as they are, do not reveal the full magnitude of the human tragedy that is involved. As this Subcommittee is well aware, there are millions of Americans, in addition to the roughly 8 million people who are official unemployed, who are underemployed or have just given up looking for work.

I would like to make note of a recent study of the Congressional Joint Economic Committee. This study noted that since 1980 the number of jobs created each year has declined. This study attributed the much higher unemployment rate of the 1980s to that slowdown in the annual rate of new job growth. But even more discouraging is the quality of these new jobs. Again the Joint Economic Committee found 58% of the new jobs created between 1979 and 1984 paid wages less than $7,000 annually.

Careful analysis reveals that unemployment, since World War II, has been substantial, persistent and drifting upward. Many economists argue that we cannot realistically reduce the unemployment rate below 6 or 7 percent. Although we recognize the complexities and trade-offs involved in reducing unemployment, we believe that such rates are simply not morally acceptable. No economy can be considered healthy when so many people are denied jobs by forces outside of their control. The present rates of unemployment would have been unthinkable only twenty years ago; they should be regarded as intolerable today as well.

Although my purpose here is not to describe a detailed employment policy, I do want to suggest some broad elements that will be necessary if we are to effectively

combat unemployment. Many of these elements are found in Senator Simon's proposed Guaranteed Job Opportunity Program. Fundamentally, our nation must provide jobs for those who can and should work and a decent income for those who cannot. The most urgent priority for domestic economic policy should be the creation of new jobs with adequate pay and decent working conditions. At present, there seems to be little endorsement of a goal of full employment, and even less substantive and sustained commitment to bring it about. Clearly this must change if we are to end the human and social devastation that joblessness brings to our nation. If we are to protect the basic human right to a decent job for all Americans, then we must have an effective national commitment to full employment.

Meeting such a goal will require a careful mix of coordinated macroeconomic policies and targeted employment and training programs. The fiscal and monetary policies of our nation should be conducted in such a way that the creation of more and better jobs is the first priority. While such policies aimed at economic growth are important and necessary, they are not sufficient in themselves. It is also necessary to develop specific policies and programs that target particular aspects of the unemployment problem.

Both the private and public sectors should be encouraged to use its creativity to expand and improve job training and apprenticeship programs. In particular as we proposed in our pastoral letter, partnerships between business, labor and government should be pursued to accomplish this objective. The nation needs an employment strategy that systematically develops the technical and professional skills necessary for a productive, dynamic economy. The rapid pace of technological change means that continuing education and training are even more important than in the past.

We must also increase support for direct job-creation programs targeted on the long-term unemployed and those with special needs. The private sector must play a major role in this effort, for the large majority of new jobs in the United States are

found there. However, it must be recognized that the government has a positive and indispensable role to play here, as well. Government funds, if used effectively, can stimulate private sector jobs for the long-term unemployed and for groups particularly hard to employ. In specific instances where such assistance has been provided in the past, as in early programs of the Comprehensive Employment and Training Act (CETA), or in some recent demonstration programs initiated by the states, the results have been quite positive.

I strongly urge you to do all within your power to provide adequate funding for the kinds of federal initiatives that are needed in job training and retraining and in job creation for the hard to employ.

In addition I would call your attention to a point that was made in our pastoral letter -- namely, that in the long term there is a need to examine and experiment with alternative ways to improve the quantity and quality of jobs in our nation. Expanding job sharing and flex time, implementing a reduced work week, job-protected family and medical leave, abolishing mandatory overtime, and other strategies should continue to be on the agenda for public discussion.

We urge Congress to raise the minimum wage and thereby reduce the number of people who work full-time and yet remain below the poverty line. We also call for vigorous action to remove barriers to full and equal employment for women and minorities. We say that self-help efforts among the poor should be fostered by programs and policies in both the private and public sectors. We call for a stronger commitment to education for the poor, and we urge that policies and programs at all levels support and strengthen family life.

The efforts to increase job opportunities for the unemployed should be coordinated with activities on welfare reform, especially in the area of work requirements. Programs should be designed to assist recipients to become self-sufficient through gainful employment. This final point is especially important in view of our belief in the dignity

of human work and the fact that employment, as I noted earlier, is one of the most important ways in which people participate in the economic life of the nation.

Our Conference strongly supports greater efforts by the federal government to assist the states in the development of greater opportunities for work, education, and training for welfare recipients. Unfortunately, much of the discussion of this subject in the past several years has been in the context of short term budget savings, rather than the longer range goals of increased self-sufficiency, reduced poverty and greater participation in social and economic life for the recipients.

A job is not only the key to participation in society. It ought to be a reciprocal expectation between society and its members. Individuals have a right to expect from society an opportunity to work, and society ought to expect able-bodied individuals to participate in the workforce.

Too often programs for welfare recipients have been designed with only one goal in mind: to make the receipt of welfare benefits so distasteful that fewer will apply and fewer will continue to participate. Many believe that welfare recipients are unwilling to accept jobs, and that work requirements will discourage the lazy. Programs initiated according to such assumptions have generally not helped recipients or saved money. As is widely known, a number of states have been experimenting with new approaches and programs in this area. We believe it is important for the federal government to support such initiatives with greater funding and flexibility and to provide leadership in developing creative programs that are empowering, not punitive, for the poor.

I would like to suggest several principles that should govern any federal and state initiatives in this area of employment and training for welfare recipients.

1. The primary focus should be on helping families escape poverty, not just on short term budget savings. Programs should equip participants for jobs that can support their families above the poverty line.

2. Incentives are an important way to enhance the freedom and voluntary participation of individuals in the workforce. Therefore, participants should be better off financially than if they did not work or study. The costs of child care, transportation, uniforms, etc., that are necessary for participation in work or training programs should be fully reimbursed, and participants should be permitted to keep most of their earnings while in the program, without reduction in welfare benefits.

3. Programs should be individualized. Each AFDC parent should be treated with dignity and respect for her individuality. Plans for each participant should be geared to her special talents and circumstances, with maximum opportunity for individual choices. In fact, the right to choose among alternative work, education, and training plans appears to be a major factor in the success of some of the new state programs.

4. Ensure that young children are properly cared for. There is a distressing lack of safe, reliable, and affordable day care in our nation. Even middle income parents have great difficulty in locating and paying for child care. While there are many valid reasons for requiring mothers of young children to participate in work or job training programs, we caution the Congress against permitting states to remove from mothers the right of free choice to care for their own children.

In general, while we strongly support new federal initiatives to help make welfare recipients more employable, it is clear that such initiatives, treated in isolation, will not solve the employment and income needs of the poor. A much larger and more dominant problem lies in the fact that our economy is not producing enough decent jobs to employ all who want to work. Increasing numbers of people are working full-time at minimum wage jobs and yet their families are in poverty. Thus our efforts to improve the employability of the poor must be complemented by policies that help to ensure that decent jobs are actually available.

Conclusion

As I noted at the beginning of my remarks, it would be a serious mistake to underestimate the difficulty of addressing the issue of employment. The solutions to this problem will not be simple ones. Moreover, we must address the issue in the context of many other pressing national problems and policies -- the massive federal deficit, the trade issues, the farms crisis, the major challenges in education, etc. The interrelationships and the tough trade-offs among these issues must be faced squarely and competently.

In particular I would emphasize a point that was raised in both our pastoral letter on war and peace and the letter on the economy -- namely, the terrible and destructive impact that the arms race has on our ability to deal with pressing social and economic issues. The massive investment of human creativity and material resources in the production of weapons for war is an incredible drain on our society and it makes it even more difficult to solve problems such as poverty and unemployment.

In the end there are fundamental moral issues embedded in these policy choices. Despite the complexity and the difficulty, we can do a better job of reducing unemployment and poverty. We simply must summon the political will, the moral vision, and the creativity to implement an aggressive campaign to provide adequately paid job opportunities for all who can work and an adequate level of income support for those who cannot. The current trends in unemployment and poverty are not only unacceptable; they are a serious threat to our society's future, a scar on the face of our nation, and a violation of the basic norms of human dignity.

The economic institutions of our nation and the entire world are undergoing significant changes, posing new realities and requiring new responses. As we struggle to meet this challenge, let us not ignore the needs of the poor and the vulnerable. As we adjust to the new social and economic realities, we must evaluate our success not merely in terms of growth rates and quarterly profit margins, but also in terms of the human

impact on people, especially the poor. We must seek policies that empower the poor, respect their human dignity and enable them to be full participants in the economy. This is an important part of the unfinished work of our nation. This is the challenge of seeking economic justice for all.

Senator SIMON. I thank you very much.

Before I move into questions, I want to insert in the record the opening statement of Senator Hatch.

[The opening statement of Senator Hatch follows:]

OPENING STATEMENT OF SENATOR HATCH

EMPLOYMENT & PRODUCTIVITY SUBCOMMITTEE HEARING:

S. 777, GUARANTEED JOB OPPORTUNITY PROGRAM

Mr. Chairman, I certainly sympathize with the intention of this legislation. We in Congress should always seek ways of reducing the burden of welfare dependency-- a burden which is shouldered not only by the those whose dignity and self-esteem are compromised, but also by the taxpayers who must foot the bill for a number of public assistance programs.

Throughout my chairmanship of this Committee, I supported the efforts of this Committee to enact effective programs providing educational and training opportunities for our nation's low-income citizens. Most recently, I joined with Senators Kennedy, Simon, Quayle, and others, as cosponsor of the "Jobs for Dependent Individuals Act". I support these approaches because they are investments in human capital. That is where we ought to put our scarce federal budget dollars.

There are a lot of reasons why I believe S. 777 is problematic, not the least of which are a multi-billion dollar price tag and the displacement of current or future municipal or private sector workers. More importantly, I do not believe we can solve the long-term problems of joblessness and poverty with a short-term response. Public service employment is like using a

band-aid to hold things together when we ought to have them welded.

I will be forthright and say that Senator Simon's salesmanship will be put to the test on this bill, but I appreciate the time he has devoted to this issue and look forward to reviewing the testimony of our witnesses.

Senator SIMON. You mentioned—you used a phrase I like—that full employment is the foundation of a just society. By implication, we are also saying, as unemployment is permitted from decade to decade to gradually rise, we are creating a less just society, is that correct?

Rev. HEHIR. I think that is the logic of what we are affirming, yes, that the consequences of unemployment lead to the more specific problems that we define as injustice, lack of housing, lack of basic nutrition, lack of health care, that failure to be able to work has those automatic consequences in individuals' lives and the lives of families.

So while we come up here and testify on homelessness and welfare policies and health policies, behind all of them is this larger question, in our view, and that is the way the pastoral letter casts the question, that this is a justice question of fundamental significance.

Senator SIMON. And in connection with building a just society, in fact when you increase the numbers of unemployed you increase the disparity in income in people in the society, is that correct?

Rev. HEHIR. Well, one of the sections of the pastoral letter went into some detail about questions of income levels and income disparities in our society. I saw nothing original I am sure before this Committee or anywhere else, when several people have commented in the past several years that in spite of some very healthy remarkable things that have happened in the economy, we are in danger of ending up with two nations in this society, for certain groups have made remarkable progress and other groups have made little or no progress, and as that disparity opens up further and further, I hear people like business leaders as well as economists as well as the more familiar constituencies who always worry about people at the bottom of the economic ladder saying the same thing, that either by inattention or by simply relying too much on the dynamics of automatic forces in the economy, we can create a two-society country in a way that just cuts across every conception of dignity and justice that are in our foundational documents as a society.

Senator SIMON. I heard the chief executive officer of the Aluminum Company of America testify last week on a wholly different subject, in which he pointed out the dangers of that very thing. The disparity now between the top 10 percent of our population and the bottom 10 percent of our population is about a 14-to-1 ratio, higher than any western industrialized democracy other than France. West Germany is about 5-to-1. Japan is about 4.5-to-1. And we do not need to tear people down from on top, but if we can lift the people at the bottom, everyone benefits.

Rev. HEHIR. The thrust of the pastoral letter of the Catholic Bishops follows from the basic tenets of Catholic social teaching, which says that the primary thing you do in creating a just economy is to set a floor, a floor of basic human needs that are necessary to protect human dignity. A society has a responsibility to try and make sure that no one falls below that floor. Now, that floor is constituted by things like basic nutrition, basic education, basic housing and health care, but those things are all affected directly by

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people's ability to earn and work, and so that sense of the floor is what our letter is all about.

Senator SIMON. I will insert into the record at this point some relevant portions of the pastoral letter which you have referred to.

[The material referred to follows:]

Excerpt from the U.S. Bishops' Letter: Economic Justice for All: Catholic Teaching and the U.S. Economy

A. Employment

136. Full employment is the foundation of a just economy. The most urgent priority for domestic economic policy is the creation of new jobs with adequate pay and decent working conditions. We must make it possible as a matter for everyone who is seeking a job to find employment within a reasonable amount of time. Our emphasis on this goal is based on the conviction that human work has a special dignity and is a key to achieving justice in society.[1]

137. Employment is a basic right, a right which protects the freedom of all to participate in the economic life of society. It is a right which flows from the principles of justice which we have outlined above. Corresponding to this right is the duty on the part of society to ensure that the right is protected. The importance of this right is evident in the fact that for most people employment is crucial to self-realization and essential to the fulfillment of material needs. Since so few in our economy own productive property, employment also forms the first line of defense against poverty. Jobs benefit society as well as workers, for they enable more people to contribute to the common good and to the productivity required for a healthy economy.

1. The Scope and Effects of Unemployment

138. Joblessness is becoming a more widespread and deep-seated problem in our nation. There are about 8 million people in the United States looking for a job who cannot find one. They represent about 7 percent of the labor force.[2] The official rate of unemployment does not include those who have given up looking for work or those who are working part time, but want to work full time. When these categories are added, it becomes clear that about one-eighth of the work force is directly affected by unemployment.[3] The severity of the unemployment problem is compounded by the fact that almost three-fourths of those who are unemployed receive no unemployment insurance benefits.[4]

139. In recent years there has been a steady trend toward higher and higher levels of unemployment, even in good times. Between 1950 and 1980 the annual unemployment rate exceeded current levels only during the recession years of 1975 and 1976. Periods of economic recovery during these three decades brought unemployment rates down to 3 percent and 4 percent. Since 1979, however, the rate has generally been above 7 percent.

140. Who are the unemployed? Blacks, Hispanics, native Americans, young adults, female heads of households and those who are inadequately educated are represented disproportionately among the ranks of the unemployed. The unemployment rate among minorities is almost twice as high as the rate among whites. For female heads of households the unemployment rate is over 10 percent. Among black teen-agers unemployment reaches the scandalous rate of more than one in three.[5]

141. The severe human costs of high unemployment levels become vividly clear when we examine the impact of joblessness on human lives and human dignity. It is a deep conviction of American culture that work is central to the freedom and well-being of people. The unemployed often come to feel they are worthless and without a productive role in society. Each day they are unemployed our society tells them: We don't need your talent. We don't need your initiative. We don't need you. Unemployment takes a terrible toll on the health and stability of both individuals and families. It gives rise to family quarrels, greater consumption of alcohol, child abuse, spouse abuse, divorce and higher rates of infant mortality.[6] People who are unemployed often feel that society blames them for being unemployed. Very few people survive long periods of unemployment without some psychological damage even if they have sufficient funds to meet their needs.[7] At the extreme, the strains of job loss may drive individuals to suicide.[8]

142. In addition to the terrible waste of individual talent and creativity, unemployment also harms society at large. Jobless people pay little or no taxes, thus lowering the revenues for cities, states and the federal government. At the same time, rising unemployment requires greater expenditures for unemployment compensation, food stamps, welfare and other assistance. It is estimated that in 1984, for every one percentage-point increase in the rate of unemployment, there will be roughly a $40 billion increase in the federal deficit.[9] The costs to society are also evident in the rise in crime associated with joblessness. The Federal Bureau of Prisons reports that increases in unemployment have been followed by increases in the prison population. Other studies have shown links between the rate of joblessness and the frequency of homicides, robberies, larcenies, narcotics arrests and youth crimes.[10]

143. Our own experiences with the individuals, families and communities that suffer the burdens of unemployment compel us to the conviction that as a nation we simply cannot

afford to have millions of able-bodied men and women unemployed. We cannot afford the economic costs, the social dislocation and the enormous human tragedies caused by unemployment. In the end, however, what we can least afford is the assault on human dignity that occurs when millions are left without adequate employment. Therefore, we cannot but conclude that current levels of unemployment are intolerable, and they impose on us a moral obligation to work for policies that will reduce joblessness.

2. Unemployment in a Changing Economy

144. The structure of the U.S. economy is undergoing a transformation that affects both the quantity and the quality of jobs in our nation. The size and makeup of the work force, for example, have changed markedly in recent years. For a number of reasons, there are now more people in the labor market than ever before in our history. Population growth has pushed up the supply of potential workers. In addition, large numbers of women have entered the labor force in order to put their talents and education to greater use and out of economic necessity. Many families need two salaries if they are to live in a decently human fashion. Female-headed households often depend heavily on the mother's income to stay off the welfare rolls. Immigrants seeking a better existence in the United States have also added to the size of the labor force. These demographic changes, however, cannot fully explain the higher levels of unemployment.

145. Technological changes are also having dramatic impacts on the employment picture in the United States. Advancing technology brings many benefits, but it can also bring social and economic costs, including the downgrading and displacement of workers. High technology and advanced automation are changing the very face of our nation's industries and occupations. In the 1970s, about 90 percent of all new jobs were in service occupations. By 1990, service industries are expected to employ 72 percent of the labor force. Much of the job growth in the 1980s is expected to be in traditionally low-paying, high-turnover jobs such as sales, clerical, janitorial and food service. Too often these jobs do not have career ladders leading to higher-skilled, higher paying jobs. Thus the changing industrial and occupational mix in the U.S. economy could result in a shift toward lower-paying and lower-skilled jobs.

146. Increased competition in world markets is another factor influencing the rate of joblessness in our nation. Many other exporting nations have acquired and developed up-to-the-minute technology, enabling them to increase productivity dramatically. Combined with very low wages in many nations, this has allowed them to gain a larger share of the U.S. market to cut into U.S. export markets. At the same time, many corporations have closed plants in the United States and moved their capital, technology and jobs to foreign affiliates.

147. Discrimination in employment is one of the causes for high rates of joblessness and low pay among racial minorities and women. Beyond the personal problems of locating a job, blacks, Hispanics, native Americans, immigrants and other minorities bear the added burden of discrimination. Discrimination against women is compounded by the lack of adequate child-care services and by the unwillingness of many employers to provide flexible employment or extend fringe benefits to part-time employees.

148. High levels of defense spending also have an effect on the number of jobs in our economy. In our pastoral letter "The Challenge of Peace," we noted the serious economic distortions caused by the arms race and the disastrous effects that it has on society's ability to care for the poor and the needy. Employment is one area in which this interconnection is very evident. The hundreds of billions of dollars spent by our nation each year on the arms race create a massive drain on the U.S. economy as well as a very serious "brain drain." "... [A spending on the arms race means a net loss in the number of jobs created in the economy, because defense industries are less labor-intensive than other major sectors of the economy." Moreover, nearly half of the American scientific and engineering force works in defense-related programs, and over 60 percent of the entire federal research and development budget goes to the military." We must ask whether our nation will ever be able to modernize our economy and achieve full employment if we continue to devote so much of our financial and human resources to defense-related activities.

149. These are some of the factors that have driven up the rate of unemployment in recent years. Although our economy has created more than 20 million new jobs since 1970," there continues to be a chronic and growing job shortage. In the face of this challenge, our nation's economic institutions have failed to adapt adequately and rapidly enough. For example, failure to invest sufficiently in certain industries and regions, inadequate education and training for new workers and insufficient mechanisms to assist workers displaced by new technology have added to the unemployment problem.

150. Generating an adequate number of jobs in our economy is a complex task in view of the changing and diverse nature of the problem. It has proven numerous tradeoffs and substantial costs. Nevertheless, it is not an impossible task. Achieving the goal of full employment may require major adjustments and creative strategies that go beyond the limits of existing policies and institutions, but it is a task we must undertake.

3. Directions for Action

151. We recommend that the nation make a major new commitment to achieve full employment. At present there is nominal endorsement of the full-employment ideal, but no firm commitment to bringing it about. If every effort were now being made to create the jobs required, one might argue that the situation today is the best we can do. But such is not the case. The country is falling far less than it might to generate employment.

152. Over the last decade, economists, policy-makers and the general public have shown greater willingness to tolerate unemployment levels of 6 percent to 7 percent or even more." Although we recognize the complexities and tradeoffs involved in reducing unemployment, we believe that 6 percent to 7 percent unemployment is neither inevitable nor acceptable. While a zero unemployment rate is clearly unusual in an economy where people are constantly entering the job market and others are changing jobs, appropriate public and concerted private and public action can improve the situation considerably, if we have the will to do so. No economy can be considered truly healthy when so many millions of people are denied jobs by forces outside their control. The acceptance of present unemployment rates would have been unthinkable 20 years ago. It should be regarded as intolerable today.

153. We must first establish a consensus that everyone has a right to employment. Then the burden of securing full employment falls on all of us — policy-makers, business, labor and the general public — to create and implement the mechanisms to protect that right. We must work for the formation of a new national consensus and mobilize the necessary political will at all levels to make the goal of full employment a reality.

154. Expanding employment in our nation will require significant steps in both the private and public sectors, as well as joint action between them. Private initiative and entrepreneurship are essential to this task, for the private sector accounts for about 80 percent of the jobs in the United States, and most new jobs are being created there." Thus a viable strategy for employment generation must assume that a large part of the solution will be with private firms and small businesses. At the same time, it must be recognized that government

has a prominent and indispensable role to play in addressing the problem of unemployment. The market alone will not automatically produce full employment. Therefore, the government must act to ensure that this goal is achieved by coordinating general economic policies, by job creation programs and by other appropriate policy measures.

157. Effective action against unemployment will require a careful mix of general economic policies and targeted employment programs. Taken together, these policies and programs should have full employment as their No. 1 goal.

a. General Economic Policies

156. The general or macroeconomic policies of the federal government are essential tools for encouraging the steady economic growth that produces more and better jobs in the economy. *We recommend that the fiscal and monetary policies of the nation — such as federal spending, tax and interest-rate policies — should be coordinated so as to achieve the goal of full employment.*

157. General economic policies that attempt to expand employment must also deal with the problem of inflation.[7] The risk of inflationary pressures resulting from such expansionary policies is very real. Our response to this risk, however, must not be to abandon the goal of full employment, but to develop effective policies that keep inflation under control.

158. While economic growth is an important and necessary condition for the reduction of unemployment, it is not sufficient in and of itself. In order to work for full employment and restrain inflation, it is also necessary to adopt more specific programs and policies targeted toward particular aspects of the unemployment problem.[8]

b. Targeted Employment Programs

159. *(1) We recommend expansion of job-training and apprenticeship programs in the private sector administered and supported jointly by business, labor unions and government.* Any comprehensive employment strategy must include systematic means of developing the technical and professional skills needed for a dynamic and productive economy. Investment in a skilled work force is a prerequisite both for sustaining economic growth and achieving greater justice in the United States. The obligation to contribute to this investment falls on both the private and public sectors. Today business, labor and government need to coordinate their efforts and pool their resources to promote a substantial increase in the number of apprenticeship programs and to expand on-the-job training programs. We recommend a national commitment to eradicate illiteracy and to provide people with skills necessary to adapt to the changing demands of employment.

160. With the rapid pace of technological change, continuing education and training are even more important today than in the past. Businesses have a stake in providing it, for skilled workers are essential to increased productivity. Labor unions should support it, for their members are increasingly vulnerable to displacement and job loss unless they continue to develop their skills and their flexibility on the job. Local communities have a stake as well, for their economic well-being will suffer serious harm if local industries fail to develop and are forced to shut down.

161. The best medicine for the disease of plant closings is prevention. Prevention depends not only on sustained capital investment to enhance productivity through advanced technology, but also on the training and retraining of workers within the private sector. In circumstances where plants are forced to shut down, management, labor unions and local communities must see to it that workers are not simply cast aside. Retraining programs will be even more urgently needed in these circumstances.

162. *(2) We recommend increased support for direct job-creation programs targeted on the long-term unemployed and those with special needs.* Such programs can take the form of direct public service employments and also of public subsidies for employment in the private sector. Both approaches would provide jobs for those with low skills less expensively and with less inflation than would general stimulation of the economy.[9] The cost of providing jobs must also be balanced against the savings realized by the government through decreased welfare and unemployment insurance expenditures and increased revenues from the wages paid by the newly employed.

163. Government funds, if used effectively, can also stimulate private sector jobs for the long-term unemployed and for groups particularly hard to employ. Experiments need to be conducted on the precise ways such subsidies would most successfully attract business participation and ensure the generation of permanent jobs.

164. These job-generation efforts should aim specifically at bringing marginalized persons into the labor force. They should produce a net increase in the number of jobs rather than displacing the burden of unemployment from one group of persons to another. They should also be aimed at long-term jobs and should include the necessary supportive services to assist the unemployed in finding and keeping jobs.

165. Jobs that are created should produce goods and services needed and valued by society. It is both good com-

[redacted] Across the nation, in every state and locality, there is ample evidence of social needs that are going unmet. Many of our parks and recreation facilities are in need of maintenance and repair. Many of the nation's bridges and highways are in disrepair. We have a desperate need for more low-income housing. Our educational systems, day-care services, senior-citizen services and other community programs need to be expanded. These and many other elements of our national life are areas of unmet need. At the same time, there are more than 8 million Americans looking for productive and useful work. Surely we have the capacity to match these needs by giving Americans who are anxious to work a chance for productive employment in jobs that are waiting to be done. The overriding moral value of enabling jobless persons to achieve a new sense of dignity and personal worth through employment also strongly recommends these programs.

166. These job-creation efforts will require increased collaboration and fresh alliances between the private and public sectors at all levels. There are already a number of examples of how such efforts can be successful.[10] We believe that the potential of these kinds of partnerships has only begun to be tapped.

c. Examining New Strategies

167. In addition to the actions suggested above, we believe there is also a need for careful examination and experimentation with alternative approaches that might improve both the quantity and quality of jobs. More extensive use of job sharing, flex time and a reduced workweek are among the topics that should continue to be on the agenda of public discussion. Consideration should also be given to the possibility of limiting or abolishing compulsory overtime work. Similarly, methods might be examined to discourage the overuse of part-time workers who do not receive fringe benefits.[11] New strategies also need to be explored in the area of education and training for the hard-to-employ, displaced workers, the handicapped and others with special needs. Particular attention is needed to achieve pay equity between men and women, as well as upgrading the pay scale and working conditions of traditionally low-paying jobs. The nation should renew its efforts to develop effective affirmative-action policies that assist those who have been excluded by racial or sexual discrimination in the past. New strategies for improving job-placement services at the national and local levels are also needed. Improving occupational safety is another important concern that deserves increased attention.

168. Much greater attention also needs to be devoted to the long-term task of converting some of the nation's military production to more peaceful and socially productive purposes. The nation needs to seek more effective ways to retool industries, to retrain workers and to provide the necessary adjustment assistance for communities affected by this kind of economic conversion.

169. These are among the avenues that need to be explored in the search for just employment policies. A belief in the inherent dignity of human work and in the right to employment should motivate people in all sectors of society to carry on that search in new and creative ways.

Senator SIMON. Interestingly, Senator Harry Reid of Nevada, who testified this morning—he is one of the cosponsors of this legislation—he put on an old baseball hat and disguised himself and went in and slept for a night with the homeless in his State of Nevada. He said their number one concern is jobs, food number two, shelter number three.

You also mentioned the pro-family side of it. I am pleased to have the ranking Republican join us here, Senator Humphrey. I would like to read a passage from a man from Clinton, Illinois, talking about his unemployment situation and his desperate plight for a job. He says, "I am going to be honest with you, my children look down on me pretty hard because their mother is doing all the work and I am not nothing. They think I failed. Every once in a while, I get slam remarks like, well, what's the difference, you're not working, you're just free-loading. It hurts. It really hurts deep. The situation has gotten so bad at times that we have been on the verge of divorce."

I send him a copy of my interview for the book, to make sure it was accurate, and the letter I got back said it was accurate but he added that he and his wife obtained a divorce.

In fact, if we are talking about pro-family legislation, if we can create jobs in this country, we are doing a good deal for family life in this country, is that correct?

Rev. HEHIR. A direct consequence. I think when I testified on the homeless question, I think it is fair to say that the religious community is probably the largest private sector of the society involved in the homeless problem, and if you spend any time in shelters you constantly come across people who are either there precisely because they do not have work or are working at a job that simply cannot support rent and that then leads to immediate deterioration of the family, because once the family is not living together then immediately they are broken up into shelters. Our view is that the family is the fundamental unit of society—Catholic teaching has had a very strong teaching on that—and there is nothing more fundamental to sustaining the family as a unit than providing a living wage. Our tradition has always talked about a living family wage.

Senator SIMON. I thank you.

Senator Humphrey, we are pleased to have you here and we appreciate your being here.

OPENING STATEMENT OF SENATOR HUMPHREY

Senator HUMPHREY. Thank you, Mr. Chairman. I agree with what you are trying to do. I do not quite agree with the way you propose to do it and let me just read my very brief statement, if I may, in way of explanation.

While it is true that your bill, S. 777, which we are discussing, I hope——

Senator SIMON. Right.

Senator HUMPHREY [continuing]. Would not repeat many of the mistakes contained in previous make-work programs, such as CETA, it is none-the-less a make-work proposal. It would create public sector jobs that are both expensive and self-defeating in that

few of those employed will ever be able to transfer their skills to the private sector.

Recently, Mr. Chairman, the GAO released a report on the Emergency Jobs Act of 1983. This report graphically illustrates the enormous costs associated with "creating" public sector jobs—$128,000 per job, according to the GAO report. Worse, most of these "jobs" evaporated within two years, for a net cost per permanent job of $325,000, hardly a bargain. Make-work jobs, it seems to me, based on historical experience, empirical experience, are inevitable wasteful.

Meanwhile, the Congress continues to defer action on the one meritorious concept, in my opinion, that will make a real dent in ending welfare dependency and creating jobs readily available to the hard-core unemployed, namely, the creation of enterprise zones with tax breaks tailored to the needs of the community, a program which I believe would create real jobs in the private sector and provide a real lasting future to those persons who will secure those jobs.

I would urge my colleagues to pursue this approach, rather than another make-work program. I say that with all due respect and affection for my friend from Illinois.

Thank you.

[The prepared statement of Senate Humphrey follows:]

STATEMENT OF SENATOR GORDON J. HUMPHREY

S. 777, THE GURANTEED JOB OPPORTUNITY PROGRAM

COMMITTEE ON LABOR AND HUMAN RESOURCES

GOOD MORNING, MR. CHAIRMAN.

RECENTLY, THE COMMITTEE REPORTED LEGISLATION, JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS ACT (JEDI), WITH AN EMPHASIS ON ENCOURAGING THE HARD CORE UNEMPLOYED TO BECOME PRODUCTIVE PRIVATE SECTOR WORKERS. I HAD HOPED THAT IT WOULD BE THE PRECURSOR OF SIMILAR CREATIVE MEASURES DESIGNED TO CHANGE WELFARE DEPENDENCY.

BUT NO SOONER HAD THE JEDI BILL BEEN ORDERED REPORTED BY THE COMMITTEE THAN S777--THE SUBJECT OF TODAY'S HEARINGS--WAS INTRODUCED WITH ITS EMPHASIS ON PUBLIC SECTOR MAKE-WORK JOBS.

WHILE S777 WOULD NOT REPEAT MANY OF THE MISTAKES CONTAINED IN PREVIOUS MAKE-WORK PROGRAMS, SUCH AS CETA, IT IS A MAKE-WORK PROPOSAL, NONETHELESS. IT WOULD CREATE PUBLIC SECTOR JOBS THAT ARE BOTH EXPENSIVE AND SELF DEFEATING IN THAT FEW OF THOSE EMPLOYED WILL EVER BE ABLE TO TRANSFER THEIR SERVICES TO THE PRIVATE SECTOR.

RECENTLY, THE GAO RELEASED A REPORT ON THE EMERGENCY JOBS ACT OF 1983. THIS REPORT GRAPHICALLY ILLUSTRATES THE ENORMOUS COSTS ASSOCIATED WITH "CREATING" PUBLIC SECTOR JOBS---$128,000 PER JOB. WORSE MOST OF THESE "JOBS" EVAPORATED WITHIN TWO YEARS FOR A NET COST PER PERMANENT JOB OF $325,000. SOME BARGAIN. MAKE-WORK JOBS ARE INEVITABLY WASTEFULL.

THE CONGRESS CONTINUES TO DEFER ACTION ON THE ONE MERITORIOUS CONCEPT, IN MY OPINION, THAT WILL MAKE A REAL DENT IN ENDING WELFARE DEPENDENCY AND CREATING JOBS READILY AVAILABLE TO THE HARD CORE UNEMPLOYED---THE CREATION OF ENTERPRISE ZONES WITH TAX BREAKS TAILORED TO THE NEEDS OF THE COMMUNITY. I URGE MY COLLEAGUES TO DEVOTE THOUGHT TO THIS IDEA RATHER THAN PERSUE ANOTHER MAKE WORK PROGRAM.

Senator SIMON. If I may respond quickly, I would be happy to hear a response from the witness, if you have any, or if you have any questions. Of course, on the enterprise zone, I was a cosponsor, I am not sure whether I am a co-sponsor this session or not, but I will become one if I am not. I do not know whether it will work, but it is a worthwhile experiment.

Even if it succeeds, it will provide only a relatively small number of jobs. On the cost factor, I do not know what the GAO study is about, but my bill limits the amount to $464 per month or the minimum wage or 10 percent above welfare or 10 percent above unemployment compensation, and administrative costs cannot be more than 10 percent and bricks and mortar cannot be more than 10 percent. So it would be a severely limited expenditure in terms of the expense side.

Rev. HEHIR. I do not think I would try and adjudicate the GAO statistics between two Senators off the top of my head. The thrust of our testimony, as you know, affirms that various sectors of the society have direct and specific responsibility in the face of unemployment.

Catholic social teaching affirms a strong moral responsibility for public authority in the face of unemployment and the consequences that flow from it, so we are not reticent about affirming an activist role for the State, even though we are not prepared to say that the State should be the primary source of the initiative, but we generally have been supportive of significant activity on the part of the Federal Government and State governments in pursuit of employment and in pursuit of those other social programs that try to attend to the needs of people who are unemployed. So we have a more aggressive approach, I suspect, than Senator Humphrey advocates in his remarks.

Senator SIMON. Do you have any questions?

Senator HUMPHREY. No, thank you. I only had time to read the summary of Fr. Hehir's testimony. I am sorry I could not be here sooner. I was testifying before the Foreign Relations Committee, but I thank him for his important contribution.

Senator SIMON. We thank you.

Rev. HEHIR. Thank you, Mr. Chairman.

Senator SIMON. We have one more witness, Mrs. Coretta Scott King. She is on her way from the airport, as I understand, so we will take a brief recess at this point.

Senator HUMPHREY. Mr. Chairman, before we do so, may I just interject very quickly.

Senator SIMON. Yes.

Senator HUMPHREY. Inasmuch as you have a continuing interest in an enterprise zone bill, perhaps we ought to work on one together, because so far no one has introduced one in this session and perhaps we should consider doing that together.

Senator SIMON. I would be pleased to join you on that.

Senator HUMPHREY. I am not suggesting that you ought to abandon your approach as outlined here today, but perhaps they could work well together, those two approaches.

Senator SIMON. Right.

We will stand in recess for a few minutes.

[Short recess.]

Senator SIMON. The subcommittee will come to order. We will now resume this hearing.

We are very pleased to have as our final witness today someone who has been a force for what is constructive and positive in our society and a spokesperson for the kinds of things that we have to stand for as a society. We are very, very honored to have Mrs. Coretta Scott King here as our final witness.

STATEMENT OF CORETTA SCOTT KING, CHAIRPERSON, NATIONAL COMMITTEE FOR FULL EMPLOYMENT, AND FULL EMPLOYMENT ACTION COUNCIL, ACCOMPANIED BY CALVIN GEORGE, EXECUTIVE DIRECTOR

Mrs. KING. I am going to ask Calvin George, who is Executive Director of the Full Employment Action Council and the committee based here in Washington, of which I serve as co-chair, to join me.

Mr. Chairman and Members of the Committee, I am Coretta Scott King, co-chairperson of the National Committee for Full Employment and the Full Employment Action Council, which we refer to NCFE and FEAC. Also I am President of the Martin Luther King Center for Nonviolent Social Change and Chairperson of the Federal Holiday Commission.

I am delighted to appear here today and to offer our views on your proposed guaranteed job opportunity program. I am accompanied today by Calvin George, NCFE/IFEAC Executive Director, as I earlier said.

We can only give the highest praise, Mr. Chairman, to your almost singular effort to put direct Federal job creation back on the national public policy agenda.

Mr. Chairman, in the interest of time, I will summarize from my full statement, which is submitted for the record.

Senator SIMON. We will put that in the record.

Mrs. KING. Thank you.

As you know, official unemployment rates have risen with each successive recession in the last three decades, but this is only part of the story. The NCFE computes on a monthly basis a statistic we call the "real rate of joblessness and underemployment," which is based on official data.

In 1986, the "real rate," which includes discouraged workers who have given up looking for work and people working part-time who cannot find full-time jobs, stood at 12.6 percent or nearly 15 million Americans. These alarming numbers represent a sharp increase since the 1981–82 recession. Further, both the official and "real" rates are disproportionately higher for minorities, youth, women heads-of-households, and people concentrated in hard-hit communities and changing economic sectors.

Job creation is a major problem, Mr. Chairman. The rate of job creation during the last six years has actually been less than during any administration since Eisenhower, and is running at only 80 percent of the job creation pace under the Carter administration.

Further, the kinds of jobs we are creating are inadequate. In 1986, approximately 5.1 percent of the labor force, numbering 5.6

million, was trapped involuntarily in part-time work. This is a substantial increase from 1979, the last full, non-recession year before the 1981–82 recession. This increase represents more than two million people with inadequate economic opportunity.

But the numbers give us only a sketchy picture of the problems we face as a nation. As the people you describe in your book clearly demonstrate, Senator Simon, there is no one stereotypical picture of the jobless. Some have extensive and stable work histories. Others are high school dropouts, with spotty job records. Many are in between. Some are single. Many have families. Most are eager to "get along," but many do not know where to go next after having met so many rejections. Some have chronic personal and family problems, and are in need of counseling, education, training, and supportive services. Others simply need a decent opportunity to work.

In 1985, Mr. Chairman, the National Committee for Full Employment conducted a study of the nation's past federally financed job creation efforts. That study, funded by the Ford Foundation, and which we will be glad to make available to you, clearly showed that America's reluctance to undertake public service employment initiatives runs deep.

Our varied attempts to create federally funded jobs during the past five decades, however, have produced many valuable lessons, which we believe can benefit your guaranteed job opportunity plan. We have learned that even during periods of exceptionally high unemployment, government can provide large numbers of adults and youth with constructive work.

We have also experimented with direct federally financed job programs designed to enhance the long-term employability of the disadvantaged. We discovered that direct public employment can be an important supplement to public and private sector training efforts. Finally, we have found that direct public job creation programs can respond to unmet community needs, particularly in distressed areas or periods of wide-spread recession, by increasing the number of workers available to provide useful local services.

The Nation's support of direct public job creation has been diluted by the publicity given to a few failures. In some cases, multiple and conflicting objectives, hasty implementation, poor management, or unrealistic expectations have limited the effectiveness of worthwhile employment initiatives and eroded their base of popular support.

Nonetheless, when carefully structured and administered, direct government job creation programs have worked well. Numerous studies have shown both increased labor force participation rates and significant post-program earnings gains for participants. These attributes do not warrant the continued neglect of direct job creation as an instrument of public policy. Rather, they point to the need for careful attention in the design and management of direct public employment programs to ensure that we learn from past mistakes and achieve our intended result: greater opportunities for the unemployed to work and become self-sufficient.

In my opinion, Mr. Chairman, your guaranteed job opportunity plan offers such an opportunity. As you know, it will be criticized by both proponents and opponents of public job creation. And yet,

it offers the opportunity to build broad support for a lasting and effective government role. I pledge my energies to help build that support.

On the one hand, support must come from those who will be affected by this initiative: the unemployed, the under-employed, their families, and others ensnarled in an uncertain economic future. If we are to instill hope, if we are to build self-esteem where it has been depleted by a succession of failures, if we are to create a true structure for opportunity and personal growth, then we must send the right messages. Surely, wage levels and benefits are an important element of that message.

The current minimum wage at $3.35 per hour has not been increased for more than six years and has actually eroded in value by 27 percent, or to $2.45 per hour in 1981 dollars. A year-round, full-time worker at 40 hours per week and 52 weeks per year, of which there are nearly two million such people, earns just over $7,000 a year. The poverty level for a family of three is over $9,000 and for a family of four over $11,000 per year.

But the message is more complicated than whether or not the current minimum wage is adequate and fair. People must also believe that the compensation they receive is commensurate with what others in both the public and private sectors receive for comparable work. In some cases and in some communities this may very well be the current or future minimum wage. Let us not assume, however, that people who find themselves unemployed at any given point in time are intrinsically less valuable than others who were in the right place at the right time. Equal pay for equal work is a long-standing value in the American economic system and must not be undermined. Certainly, we can and should peg wages at the entry level for similar work.

This brings us to the support that we must generate from the public-at-large and the business community particularly. The jobs created and the work performed must be seen as providing real value to local communities. The public should come to more fully understand that the private sector cannot do it alone. These jobs must also be viewed as transitional in nature, which bolster the skills, work habits, and track records of less advantaged persons, some of whom face real barriers to full participation in the labor market.

On this level, we believe that the guaranteed job opportunity plan should include much stronger linkages with the Job Training Partnership Act, the WIN program, and other publicly financed training and social services efforts. The 32-hour/4-day work week in your plan only makes sense if the fifth day is clearly dedicated to personal development and job search.

By the way, Mr. Chairman, I serve as a member of the Board of the National Alliance of Business, and I have been much encouraged with the efforts that are taking place presently in the private sector in terms of understanding what the real problem for unemployment and the fact that the work force has been greatly endangered, the pool of workers, by the fact that workers need more basic training and skills, of course, for the work, but they are looking at the year 2000 and they are doing some educational programming I think that is going to be more successful than in the past.

But the fact is that had the business community understood what I think they have come around to understanding today—maybe accepted is a better word—the reality of how to get jobs, to create jobs and meaningful work and to make a real change in the society that would be beneficial to them as well, had they understood that when we were trying to get a comprehensive bill, which we called the Humphrey-Hawkins Full Employment and Balanced Growth Act, between 1974 and 1978, I think we would certainly be so much further along and perhaps some of the problems we face and some of the societal problems we face today could have been avoided.

So I wanted to deviate to say this, because it was important to me at the time, as Co-Chair of the Full Employment Action Council and the Committee, along with Mr. Murray Finley, that we got private sector support for that bill which we did not get, and so having served on that board for a period of time and seeing the eventual change and understanding take place is at least encouraging. It remains to be seen what does happen in terms of the end result, but it seems to me that they are much more aware of the fact that there must be that collective approach, and when I speak of these linkages, I think you understand what I am really trying to say.

Support in both the public and private sectors will also be enhanced if strong measures are included to avoid both the displacement of existing workers and unfair competition with private businesses. The composition of the District Executive Councils you propose and the veto power you give to both representatives of organized labor and the business community are important steps in this direction. We would, however, strongly suggest that you also clearly specify that at least half of the representatives from organized labor come from the largest public employee unions and worker associations in the local area. This would help build confidence that current public employees will not be displaced.

Further, at least half of the representatives from the business community should be drawn from broadly based employer associations representing both large and small businesses who are most likely to be affected by government contracting and by even small changes in a competitive marketplace.

Finally, Mr. Chairman, we would strongly urge that the guaranteed job opportunity plan provide a separate component to address the needs of our Nation's young people. The youth incentive pilot projects of the late seventies and early eighties clearly showed that these problems can be ameliorated by providing part-time jobs during the school year and full-time jobs during the summer for disadvantaged young people who agree to stay in school. We believe that such an effort could enhance the guaranteed job opportunity program, and would help prevent future labor market problems.

In conclusion, it is important to note that even the best employment and training programs will be limited by the environment in which they operate. Future recessions, rapid technological change, our competitive position in world trade, declining real earnings, and discrimination represent major constraints on what we can expect from temporary job creation programs.

We need a high-quality, job growth economy to produce permanent jobs for trained people. We need to provide advanced retraining for the experienced dislocated worker We need to raise the minimum wage so that a family of three does not stay poor even when the wage earner works 40 hours a week year-round. And we need to move aggressively against discriminatory employment patterns and practices that limit earnings and career advancement.

Again, I want to thank you for your efforts with proposing a guaranteed job opportunity program. Our staff is available to provide more detailed and technical comments on this initiative and we will be glad to assist you in any other ways we can. If you have any questions, we will be glad to try to answer them.

Thank you.

[The prepared statement of Mrs. King follows:]

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United Steelworkers of America

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UAW

Raul Yzaguirre, National Director
National Council of LaRaza

TESTIMONY

BY

CORETTA SCOTT KING, CO-CHAIRPERSON

NATIONAL COMMITTEE FOR FULL EMPLOYMENT

AND

FULL EMPLOYMENT ACTION COUNCIL

BEFORE

UNITED STATES SENATE

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

COMMITTEE ON LABOR AND HUMAN RESOURCES

MARCH 23, 1987

Mr. Chairman and Members of the Committee, I am Coretta Scott King, Co-Chairperson of the National Committee for Full Employment and the Full Employment Action Council (NCFE/FEAC). I am delighted to appear here today and offer our views on your proposed Guaranteed Job Opportunity Program. I am accompanied today by Calvin George, NCFE/FEAC Executive Director. We can only give the highest praise, Mr. Chairman, to your almost singular effort to put direct federal job creation back on the nation's public policy agenda.

First, let me give you some background on our efforts. For over a decade, NCFE and FEAC have been the principal organizations uniting a broad coalition of labor, religious, civil rights, women's, business, and other community groups in behalf of a national commitment to full employment. Direct job creation and work experience has always been a key element in the policies supported by our coalition members. NCFE conducts the research, policy development and educational activities on full employment issues among its constituent bodies. FEAC proposes legislative initiatives, mobilizes political support in conjunction with other organizations, and stimulates debate on jobs and training issues during election campaigns.

Begun as the driving force behind the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978, the Committee has evolved into a multi-faceted public policy research and education organization. We recognize that devising and implementing solutions to joblessness and underemployment require a range of

approaches and strategies and must involve all sectors of society. No single policy initiative, however comprehensive, can be adequate.

As you know, official unemployment rates have risen with each successive recession in the last three decades, but this is only part of the story. The NCFE computes on a monthly basis a statistic we call the "real rate of joblessness and underemployment", which is based on official data. In 1986, the "Real Rate", which includes discouraged workers who have given up looking for work and people working part time who cannot find full-time jobs, stood at 12.6 percent or nearly 15 million Americans. These alarming numbers represent a sharp increase since the 1981-82 recession. Further, both the official and "real" rates are disproportionately higher for minorities, youth, women heads-of-household, and people concentrated in hard hit communities and changing economic sectors.

Job creation is a major problem, Mr. Chairman. The rate of job creation during the last six years has actually been less than during any administration since Eisenhower, and is running at only 80 percent of the job creation pace under the Carter Administration. Further, the kinds of jobs we are creating are inadequate. In 1986, approximately 5.1 percent of the labor force, numbering 5.6 million people, was trapped involuntarily in part-time work. This is a substantial increase from the 3.4 percent of the work force who found themselves in this predicament in 1979, the last full, non-recession year before the 1981-82 recession. This

increase represents more than two million people with inadequate economic opportunity.

But the numbers give us only a sketchy picture of the problems we face as a nation. As the people you describe in your book clearly demonstrate, Senator Simon, there is no one stereotypical picture of the jobless. Some have extensive and stable work histories. Others are high school dropouts with spotty job records. Many are in between. Some are single. Many have families. Most are eager to "get going", but many don't know where to go next after having met so many rejections. Some have chronic personal and family problems, and are in need of counseling, education, training and supportive services. Others simply need a decent opportunity to work.

In 1985, Mr. Chairman, the National Committee for Full Employment conducted a study of the nation's past federally financed job creation efforts. That study, funded by the Ford Foundation, and which we will be glad to make available to you, clearly showed that America's reluctance to undertake public service employment initiatives runs deep. Our nation prides itself on being a land of opportunity where individuals can be self-sufficient and prosper through hard work. For centuries, bountiful land and a strong demand for industrial labor bolstered our faith that a robust economy could provide employment for all who were willing to work. Business cycles periodically challenged this belief, pushing workers into forced idleness, but not until the widespread joblessness and hardship of the Great Depression

did the federal government respond by directly creating jobs for a significant portion of the unemployed. Since that time, direct employment programs have been launched reluctantly and often belatedly.

Despite ideological conflicts, however, our varied attempts to create federally funded jobs during the past five decades have produced many valuable lessons, which we believe can benefit your Guaranteed Job Opportunity Plan. We have learned that even during periods of exceptionally high unemployment government can provide large numbers of adults and youth with constructive work. We have also experimented with direct federally financed job programs designed to enhance the long-term employability of the disadvantaged. We discovered that direct public employment can be an important supplement to public and private sector training efforts. Finally, we have found that direct public job creation programs can respond to unmet community needs, particularly in distress areas or periods of widespread recession, by increasing the number of workers available to provide useful local services.

The nation's support of direct public job creation has been diluted by the publicity given to a few failures. In some cases, multiple and conflicting objectives, hasty implementation, poor management, or unrealistic expectations have limited the effectiveness of worthwhile employment initiatives and eroded their base of popular support. Nonetheless, when carefully structured and administered, direct government job creation programs have worked well. Numerous studies have shown both increased labor

force participation rates and significant post-program earnings gains for participants. These attributes do not warrant the continued neglect of direct job creation as an instrument of public policy. Rather, they point to the need for careful attention in the design and management of direct public employment programs to ensure that we learn from past mistakes and achieve our intended result: greater opportunities for the unemployed to work and become self-sufficient.

In my opinion, Mr. Chairman, your Guaranteed Job Opportunity Plan offers such an opportunity. As you know, it will be criticized by both proponents and opponents of public job creation. And yet, it offers the opportunity to build broad support for a lasting and effective government role. I pledge my energies to help build that support.

On the one hand, support must come from those who will be affected by this initiative: the unemployed, the underemployed, their families, and others ensnarled in an uncertain economic future. If we are to instill hope, if we are to build self-esteem where it has been depleted by a succession of failures, if we are to create a true structure for opportunity and personal growth, then we must send the right messages. Surely, wage levels and benefits are an important element of that message. The current minimum wage at $3.35 per hour has not been increased for more than six years and has actually eroded in value by 27 percent, or to $2.45 per hour in 1981 dollars. A year round, full-time worker at 40 hours per week and 52 weeks per year, of

which there are nearly two million such people, earns just over $7,000 a year. The poverty level for a family of three is over $9,000 and for a family of four over $11,000 per year.

But the message is more complicated than whether or not the current minimum wage is adequate and fair. People must also believe that the compensation they receive is commensurate with what others in both the public and private sectors receive for comparable work. In some cases and in some communities this may very well be the current or future minimum wage. Let us not assume, however, that people who find themselves unemployed at any given point in time are intrinsically less valuable than others who were in the right place at the right time. Equal pay for equal work is a long-standing value in the American economic system and must not be undermined. Certainly we can and should peg wages at the entry level for similar work.

This brings us to the support that we must generate from the public-at-large and the business community particularly. The jobs created and the work performed must be seen as providing real value to local communities. The public should come to more fully understand that the private sector can't do it alone. These jobs must also be viewed as transitional in nature, which bolster the skills, work habits, and track records of less advantaged persons, some of whom face real barriers to full participation in the labor market. On this level, we believe that the Guaranteed Job Opportunity Plan should include much stronger linkages with the Job Training Partnership Act, the WIN program, and other publicly

financed training and social services efforts. The 32 hour/4 day work week in your plan only makes sense if the fifth day is clearly dedicated to personal development and job search. Strong linkages with these programs can make the fifth day valuable. Many of these programs provide for Individualized Employability Plans, which incorporate the testing and assessment services you call for in your initiative. These plans also establish individual goals and performance standards, which strengthen both individual accountability and overall program management. Such approaches not only benefit the individual participant but will also lead to broader public and business community support for this initiative.

Support in both the public and private sectors will also be enhanced if strong measures are included to avoid both the displacement of existing workers and unfair competition with private businesses. The composition of the District Executive Councils you propose and the veto power you give to both representatives of organized labor and the business community are important steps in this direction. We would, however, strongly suggest that you also clearly specify that at least half of the representatives from organized labor come from the largest public employee unions and worker associations in the local area. This would help build confidence that current public employees will not be displaced. Further, at least half of the representatives from the business community should be drawn from broadly based employer associations representing both large and small businesses who are

most likely to be affected by government contracting and by even small changes in a competitive marketplace.

Finally, Mr. Chairman, we would strongly urge that the Guaranteed Job Opportunity Plan provide a separate component to address the needs of our nation's young people. High school dropout rates surged in the late 1970's, and while they have leveled off, they remain astronomically high, especially in our inner cities and depressed rural areas. Among minorities, the problems are even more enormous. And yet, by the mid-1990's minority youth will account for one out of every three new entrants to the labor force. The Youth Incentive Pilot Projects of the late 70's and early 80's clearly showed that these problems can be ameliorated by providing part-time jobs during the school year and full-time jobs during the summer for disadvantaged young people who agree to stay in school. We believe that such an effort could enhance the Guaranteed Job Opportunity Program, and would help prevent future labor market problems.

In conclusion, it is important to note that even the best employment and training programs will be limited by the environment in which they operate. Future recessions, rapid technological change, our competitive position in world trade, declining real earnings, and discrimination represent major constraints on what we can expect from temporary job creation programs. We need a high-quality, job growth economy to produce permanent jobs for trained people. We need to provide advanced retraining for the experienced dislocated worker. We need to raise the minimum wage

so that a family of three does not stay poor even when the wage earner works forty hours a week year round. And we need to move aggressively against discriminatory employment patterns and practices that limit earnings and career advancement.

Again, I want to thank you for your efforts with proposing a Guaranteed Job Opportunity Program. Our staff is available to provide more detailed and technical comments on this initiative and we will be glad to assist you in any other ways we can. If you have any questions, we will be glad to try to answer them.

Senator SIMON. Well, I thank you very, very much and I thank you particularly for your leadership in the National Committee for Full Employment. And Mr. George, we welcome you and you may wish to add some comments as we get into questions here very briefly.

I cannot help, if I may be slightly personal, I cannot help but recall when I was a very green, young State legislator in Illinois being invited by Dr. King to come down and speak at the second anniversary of the bus boycott at the Dexter Avenue Baptist Church, and I remember visiting with you and your young family also, in your white frame home there in Montgomery. Neither one of us even in our wildest imagination could guess what was in store, what has happened since, much of it good and much of it grim.

But what you and your husband stood for then and what you stand for today was opportunity and that is what this bill is all about, and I really appreciate your testimony.

When you talk about other changes, I agree, this is not something that by itself is going to solve all our problems. It does not raise the minimum wage, which ought to be raised. It does not move on some of these other things that you are talking about.

But even at the present minimum wage, which would be—32 hours would pay $107 a week, $464 a month. I have the average payment for welfare now in the States in front of me. This is for 1985. We do not have the 1986 average payment yet. But in the State of Alabama, for example, the average payment is $111. The public myth out there is that people on welfare have very high earnings and occasionally there is a story in the New York Times or somewhere about someone living in a hotel, but those are the distortions.

Illinois is 26th in average payment. We are just about right in the middle. The average payment is $289. Now, how can a family live on $289? In Mississippi, the average payment is $91 a month.

If, even at the present minimum wage, if we were to be able to give jobs that provided $464 a month, that would be a tremendous lift for these people. I am making a statement, rather than asking a question, but do you concur that this—in fact, $464 a month is more than the average welfare payment in all but three States.

Mrs. KING. Well, I think one would have to say that is a great improvement over what is in terms of welfare, but one also has to look at the realities of how much it costs to live to see how far it goes.

I think with the escalating costs of living within the last few years, it seems, it is still not adequate. It gives them something but not adequate to really take care of the family other than just maybe food.

When I go to the grocery store, I am always appalled at how much money you have to spend for almost nothing, and I wonder how the average family makes it. They certainly cannot eat anything like a balance meal, and I keep wondering how is it that we are going to produce a strong and healthy society when people are starving with malnutrition because they do not have the money to buy, you know, just food that would give minimally adequate diet.

Society pays one way or another. If we do not pay people to work and to be productive people in our society, we are going to pay in other terms, in terms of the lives that are destroyed and what you have to do to try to mend those broken lives or the incarcerations that take place. Everybody knows how much money you have to spend to keep a person in prison for a year.

We quibble about the few thousand dollars to pay for a family, I mean a family of four. I mean you would give a family of four $15,000 a year and maybe they could eke out a living, but when you have to pay—I do not know what it is now, it is close to somewhere between probably $25,000 and $30,000 a year, to incarcerate a man, or to educate a young man who got in trouble because his mama had to go off and work some place and he was running on the streets and got involved in drugs or, alcohol, or he had to steal and he got put in jail, put in prison.

You destroy the potential of the family before it has a chance and what does it do to a society? I mean I know where we are, but I just think we have to look at the reality of what would make a realistic program in terms of a guaranteed income for people.

I know you cannot take people, with the system of bureaucracy, and try to move it so fast, but you know we were moving so well but we went backwards. There was a period when we were moving well and so we have finally come to where we just sort of accept that. Do we have to accept that in a society such as ours, in a nation that is the wealthiest nation on the face of the earth? Do we have to accept that? Do we have to compromise to that extent?

So I am very concerned about this whole problem. When I see people standing in soup lines, the homeless in every city in the country, and they are not all people who have no skills and cannot work. You know it is not their fault. Many of them are well-trained people. They do not have the income to afford a house or a place to live, so they have to walk the streets in the daytime, with their family.

Someone was saying the other day that they knew a family who had changed schools for their children in the last three months four or five times because they were shifted from one shelter to another. I am just saying, Mr. Chairman, I agree with you in terms that that is better than what the welfare payment is, but I just do not think we should accept the welfare, what the welfare system does at this point. Neither should we accept less than what is adequate just to give a family just a basic living.

On the other hand, if I were in your position, you know, it would create a real dilemma because of what you do. So what you have done is you are trying to improve what is and I think if we do that much, that does help but then it is not a solution.

I think nothing will suffice until there is a more comprehensive plan to deal with this problem, which I think is a possibility within the next five or six years. I think we will be moving in that direction, because I think that the awareness on the part of the business community, as I mentioned, of the fact that these problems are now so interconnected and we just do not address them without dealing with some other kinds of concerns, the training, for instance, that NAB was doing for the structurally unemployed. They realized that that was not a solution, that was not making a dent.

So I think there is a lot of sensitizing that has taken place and a lot of concern. We need to try to find ways to link up and to form coalitions and so forth. I think the coalitions that they have tried, the partnerships that they have begun to form with community based organizations in terms of education, with educational institutions, planned schools and so on, is something that is done voluntarily, which I think there ought to be stronger incentives to get more of it done.

It is encouraging, from where we were in 1974, 1975, 1976 and 1978 particularly. I remember the last week that was a week of final passage, I believe, of the Humphrey-Hawkins bill, and I went to a meeting of the Full-Employment Action Council and we had then Vice President Mondale come to speak to us, and one of the FEAC persons said it is a pity that NAB did not see fit and the business community did not see fit to endorse Humphrey-Hawkins, because it is in their best interests.

We understand that the Business Roundtable spent large sums lobbying to defeat the bill. We managed to get a bill passed, which was not a perfect bill, but even that was never implemented.

Senator SIMON. Let me commend you for your comments. Your idea of linkages is absolutely sound. When you ask do we have to accept that, you really are not asking a question because we know we do not have to accept this.

When you talk about Humphrey-Hawkins, let me just add that you played a very key role in getting that passed, and I remember you sitting in the gallery when that was passed.

Mrs. KING. I walked the halls of the Senate and visited over forty Senators' offices.

Senator SIMON. And finally we got something passed that a lot of people said could never pass, but in a very real sense it spelled out our dream. Now we have to put some legs to that dream, we have to make that dream come true and I am pleased to say that Congressman Hawkins will be the chief sponsor of this legislation over on the House side. This bill does not answer all the problems, but it moves us one step forward to putting some legs on that dream and that I think is very important.

You make one other suggestion that I think is a good one, that we ought to be considering in our subcommittee, and that is the executive council, if we were to make half the union representation from public service unions, because that is where the fear is of substitution, because they experienced some of that under CETA. CETA in many ways was a very fine program, but there was some abuse and so there is a reluctance on the part of some of the public service unions to accept the idea of public service employment. But if we had that as well as the associations from the business side, both sides would recognize that we are not going to move in and step on their toes. I think it is an excellent suggestion.

We appreciate your being here, your leadership.

Mr. George, do you care to add anything here?

Mr. GEORGE. I think Mrs. King has said it more adequately than I could.

Senator SIMON. You are a wise man. [Laughter.]

Mr. GEORGE. Thank you.

Senator SIMON. Again, we thank you very, very much. We look forward to working with the two of you and with your committee. I intend to make this a priority. We are going to push hard on this and there is no reason, with all the things that need to be done in our society, there is no reason that we tell people you have to stay home and do nothing. We deny them pride, we deny them a chance to lift themselves, and part of it has to be the precise thing that you talked about, Mrs. King, There has to be a screening process and you have to get people into educational programs as part of this whole thing.

We can be a much richer nation if we decide to do it. We have to use a word that Dr. King used, we have to dream a little more, and if we dream and work for those dreams we can make them come true.

We thank you very much. The hearing is adjourned.

[Whereupon, at 12:05 p.m., the Subcommittee adjourned.]

GUARANTEED JOBS OPPORTUNITY ACT

FRIDAY, APRIL 3, 1987

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Moline, IL.

The subcommittee met, pursuant to notice, at 10:00 a.m., at Black Hawk College, 6600 34th Avenue, East Moline, IL, Senator Paul Simon (chairman of the subcommittee) presiding.

Present: Senator Simon and Congressman Lane Evans.

Senator SIMON. The subcommittee hearing will come to order. First, I'm pleased to call the president of Black Hawk College for a few words here.

Mr. POFFER. Black Hawk College warmly welcomes both you and Congressman Evans. He is sort of coming back home when he comes to Black Hawk College, and we thank Professor Loren Hansen for the arrangements that he made for this program.

The Quad-Cities area has tremendous challenges lying ahead of it, and a lot of us in the past few months have felt pretty much down in the dumps. But a couple of days ago in Washington, thanks to a few good people, we had a very good meeting discussing the potential of the Quad Cities and additional things that the federal government may be able to help us do.

I don't think any of us wants to forget for a minute the tremendous assets of the Quad-Cities area, and we should capitalize on those assets.

OPENING STATEMENT OF SENATOR SIMON

Senator SIMON. Let me make a few opening words, and then I want to call on Congressman Evans. The legislation that is pending I have already described very briefly in the press conference that preceded this.

We can do much better as a nation, and the reality is that there are a host of problems that are employment related, for example, the problem of crime. When you get down far enough, you basically have a choice of either welfare or crime, and, unfortunately, some people choose crime in that situation.

It is interesting as you look at teenage pregnancy rates—and I have taken a look at the statistics in Illinois—as you follow that, it is very clear that as unemployment goes up, teenage pregnancy goes up. If you want to do something about the teenage pregnancy problem, put people to work. Give them an opportunity, and you are going to discourage the problems in this area. Let me just go

through a few that Judy White of my staff from this area, and I might add we have Don Johnston from this area, also, put together.

Non-agricultural wage and salaried employment through the metropolitan area was down 11.1 percent in 1986 from 1979. Non-electrical machinery, the largest manufacturing classification, employed 16.9 percent of the labor force in 1979. In 1986, 13,925 fewer people were employed—a 49.7 percent decrease.

19,000 manufacturing jobs have been lost since 1979, a 38 percent decline. Most of the job losses are considered permanent, plus the 2,400 jobs I mentioned earlier that are now scheduled to be lost next year. The average unemployment rate is 3 to 5 percentage points above the national average. Over 12,000 workers in this area have exhausted unemployment benefits.

I would add what Dr. Poffer said is correct. There are tremendous assets in this area, the river, the interstate highways, the railroads. You have tremendous assets, but somehow they have to be put to work, and what is true for the Quad Cities is true for much of nation.

We have the potential. We do not need to see the decline in the United States while Japan and West Germany and Sweden and other countries move ahead. It is inevitable only if we don't do something about it.

[The prepared statement of Senator Simon follows:]

STATEMENT OF UNITED STATES SENATOR PAUL SIMON

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

FIELD HEARING--APRIL 3, 1987

GUARANTEED JOB OPPORTUNITY PROGRAM

I AM PLEASED TODAY TO BE BACK IN THE QUAD CITIES AREA TO CHAIR THIS FIELD HEARING OF THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY OF THE SENATE LABOR AND HUMAN RESOURCES COMMITTEE. I WOULD LIKE TO WELCOME CONGRESSMAN LANE EVANS' PARTICIPATION IN THIS HEARING. BOTH CONGRESSMAN EVANS AND I HAVE A DEEP COMMITMENT TO HELPING OUR NATION AND THE QUAD CITIES AREA IN PARTICULAR GET "BACK ON ITS FEET" ECONOMICALLY. KEEPING THESE CONCERNS IN MIND, I HAVE INTRODUCED IN THE U.S. SENATE, SENATE BILL 777, THE GUARANTEED JOB OPPORTUNITY PROGRAM. THIS PROGRAM WOULD PROVIDE THE OPPORTUNITY TO WORK FOR THOSE WHO ARE NOT WORKING NOW. I FIRMLY BELIEVE THAT IT IS BETTER FOR US AND FOR THOSE AFFECTED TO PAY PEOPLE FOR DOING SOMETHING RATHER THAN PAYING THEM FOR DOING NOTHING. MY BILL WILL DO EXACTLY THAT. IT WILL GIVE AN OPPORTUNITY FOR THOSE WHO QUALIFY FOR THE PROGRAM TO REGAIN THEIR SELF-RESPECT AND EARN A LIVING FOR THEMSELVES AND THEIR FAMILIES.

WITHOUT A DOUBT, THE QUAD CITIES IS IN DESPERATE NEED OF REVITALIZING. THE STATISTICS SPEAK FOR THEMSELVES:

* IN 1980, THE BI-STATE REGION LABOR FORCE TOTALLED 211,964 PERSONS. IN 1986, THE TOTAL DROPPED BY 2.7% TO 206,246.
* NON-AGRICULTURE WAGE AND SALARY EMPLOYMENT TO THE METROPOLITAN STATISTICAL AREA WAS DOWN 11.1% IN 1986 FROM 1979.
* NON-ELECTRICAL MACHINERY, THE LARGEST MANUFACTURING CLASSIFICATION, EMPLOYED 16.9% OF THE LABOR FORCE IN 1979. IN 1986, 13,925 FEWER PEOPLE WERE EMPLOYED--A 49.7% DECREASE.
* 19,000 MANUFACTURING JOBS HAVE BEEN LOST SINCE 1979, A 38% DECLINE; MOST OF THE JOB LOSSES ARE CONSIDERED PERMANENT.
* THE AVERAGE UNEMPLOYMENT RATES HAVE RANGED FROM 10.1% TO 14.1% OVER THE PAST FIVE YEARS; 3 TO 5 PERCENTAGE POINTS ABOVE THE NATIONAL AVERAGE.
* OVER 12,000 WORKERS HAVE EXHAUSTED THEIR UNEMPLOYMENT BENEFITS AND TURNED TO THE HUMAN SERVICE SYSTEM FOR ASSISTANCE.

* IN ADDITION TO THE 19,000 MANUFACTURING JOBS ALREADY LOST, AN ADDITIONAL 2,400 JOBS WILL BE LOST BY THE CLOSING OF THE CATERPILLAR AND CASE PLANTS IN 1988. THIS BRINGS TO SIX MAJOR PLANT CLOSINGS IN THE PAST FIVE YEARS. THE FOUR PREVIOUS CLOSING IDLED 6.5 MILLION SQUARE FEET OF PRODUCTION SPACE.

OVER 63% OF THE WORKFORCE COMMUTES BETWEEN CITIES EACH DAY, AND NEARLY 20% CROSS STATE LINES. I LOOK FORWARD TO WORKING WITH THE BI-STATE METROPOLITAN PLANNING COMMISSION, THE QUAD-CITY DEVELOPMENT GROUP, THE QUAD CITY AREA LABOR-MANAGEMENT COUNCIL AND THE ILLOWA CONSTRUCTION LABOR-MANAGEMENT COUNCIL ON IMPLEMENTING THIS BILL ONCE IT BECOMES LAW. CERTAINLY A GREAT DEAL OF COOPERATION AND SUPPORT IS NEEDED ON BOTH SIDES OF THE RIVER TO MAKE THIS AREA OF THE COUNTRY AN ACTIVE EMPLOYMENT AREA AGAIN.

Senator SIMON. Mr. Evans.

OPENING STATEMENT OF CONGRESSMAN EVANS

Congressman EVANS. I am very pleased to welcome you again to the Quad-Cities area. As Chairman of the Labor Subcommittee on Employment and Productivity, the Senator is helping to develop new solutions to the problems that plague our area and communities across the country. His leadership in this area and in other roles is just one example of his concern for working people and his willingness to tackle the tough issues that face us.

The subject of today's hearing and Senator Simon's bill is vitally important to our area. Creating jobs and putting our citizens back to work is the single most important challenge we face, and my highest priority. The strength and stability of our nation depends upon the ability of every citizen to achieve a good job, buy a home and raise a family.

But despite the best efforts and cooperation of labor, business and government, our area continues to battle unacceptably high levels of unemployment.

Although we look for bright signs from statistics, we know that government numbers ignore workers who have exhausted jobless benefits, "discouraged" workers who have seen too many "no work available" signs, and many others who must work part time because full-time jobs aren't available.

These individuals have been put out of work through no fault of their own. The crushing trade deficit and barriers to our exports are the reasons our plants close and opportunities move overseas.

Throughout our district, our people hope and pray for an opportunity to use their skills, provide for their loved ones and achieve a future. I think we can all agree that the agony and despair is harmful to us all.

Despite the grim stories, we have made some great strides in retaining our workers and creating new jobs. A program here at Black Hawk College is one example of the success we have achieved. In addition, economic development projects have improved housing, roads and water systems and provided important new employment opportunities.

We have seen from these activities that there is much work that needs to be done, and doing it can put individuals back to work, improve our communities and attract new businesses to our areas.

Senator Simon's bill, the Guaranteed Jobs Opportunity Act, can greatly expand these efforts. His idea is simple—let's put people back to work at jobs that need doing. It is not a program of make-work jobs that are of short duration and little value. Rather, it proposes to create jobs by rebuilding our bridges, paving new roads and improving our water systems. These sorts of projects are keys to stimulating economic growth and attracting new business.

We don't have to think back far to find support for the Senator's plan. Just a little over 50 years ago, President Roosevelt initiated a similar public jobs program that lifted our nation out of the throes of a devastating economic situation and pushed us back on the path of prosperity.

There is strong reason to believe it can help us again. It's not just people, but the specialists, the economists in industry and government who have said so. I'm told that for every job created under this program, you create two to three opportunities elsewhere in the community. It can benefit our industries as well as the butcher and the baker.

As we question the validity of our welfare system—I think it is essential we begin to look at our jobs policies and begin to create new avenues that offer meaningful opportunities and benefit our communities.

Worker retraining is another essential element in this process. And I'm proud to be a cosponsor with Senator Simon on another bill, the Economic Dislocation and Worker Adjustment Assistance Act, that takes an important step in that direction. It would help workers before shutdowns or layoffs occur, and provide essential job training and counseling to help them retain their skills and remain active in the workforce. I am anxious to hear the views of people who will testify before us today. I want to continue to work with them on other projects we have initiated and further steps we want to take to help our area.

I think we can all agree that jobs are our future. Creating those opportunities are the steps toward making our community strong and taking us forward. I feel Senator Simon has created a program that can start us on that path.

Senator SIMON. Our first two witnesses are two unemployed workers, Larry Howie and Diann Palmer.

We thank you both, first of all, for facing the cameras and all of these people that have come here to tell your story. Let me just add, I think it's important to people to hear the story of unemployment.

When we talk about ten million people unemployed, statistics don't mean anything to people. What we have to hear is real life stories from the people. Ms. Palmer, can we hear from you first.

STATEMENT OF DIANN PALMER, UNEMPLOYED WORKER

Ms. PALMER. First of all, I want to thank you for this opportunity to speak. Yes, I am an unemployed worker. I worked for John Deere for eight and a half years. I was let go, not for any reason of my own, but because John Deere is downsizing because the economy in our area is very bad.

I really just don't want to speak about my own circumstances, but I would just like to speak of everyone in this area. I believe in the Quad Cities very greatly, and I believe we have a lot of potential here. It hurts me so much to see a lot of good people leaving this area because the jobs are not here any longer.

I was thinking when I was asked yesterday to speak, I just want to say that whatever Senator Simon can do and everybody can do concerning a job bill, we need it desperately.

When I first went to the unemployment office I was devastated. I saw all these people in line. I could not believe that I was going to be in the same line with all these people, not because I was hurting myself. I have seen other people who were in more desperate situations than I.

Right now I am okay. On down the line my unemployment runs out, and I have got to figure out the same thing. As far as I am concerned, I have the Lord in my life so I depend on my faith. But there are a lot of people out there who don't have that faith to call upon, you know. Is there anyone out there to help us? I want to do as much as I can, and by speaking out, maybe I can do something to help those people.

I know this country was built on the hard work of the people, and that was what our Constitution is built on. Now I feel like it is the government's turn to help us out. Those people have worked very hard to get where they are, and they put back a lot in the country. Now we are to the point where there is not enough jobs for everybody.

Everyone says there are plenty of jobs out there, but there are a lot of people, and they are all seeking the same jobs. I think it's time that the government gave back some of that hard work and sweat that we have given to the country so that everything will be equal for all people, not just me, but every color of the races.

STATEMENT OF LARRY HOWIE, UNEMPLOYED WORKER

Mr. HOWIE. Thank you, Senator Simon and Congressman Evans. I find myself a little lost for words here. Twenty-five years ago when people were taking unemployment insurance and using it, I said, "No way." I said, "I won't do it." Well, I've used mine up.

My job was in the farm-related fertilizer business, and the economy cut back the number of employees where I was working, and through no fault of my own, I'm no longer employed. I am working to try to find something else.

I have been in the Black Hawk College Dislocated Worker Program, and I feel that this is one of the things that can go the furthest toward helping each individual person who is out of work. I will say that I did not know of that program until long after I had been out of work. I heard of it in passing one day.

One of the things that I would really like to see is a much wider-based advertising of programs available for people. The simple fact is that I live 30 miles from here. I don't go by the buildings every day. Yes, I would imagine I'm probably a little insulated in that I could walk to work from where I lived. I wasn't in the Cities. I didn't see this.

By being accidentally informed of this program by a dislocated farmer, who is a friend of mine, I was able to come here and begin the program, and I think it is super. I recommend it to anyone who is unemployed. I think we need to let more people know that it's available.

There is another thing that bothers me. I'm looking at full time in the program. With the Dislocated Worker Program, in order for a person to further their education in the program they need to be unemployed and or working part time up to 35 hours a week. If a person is employed full time, you automatically give up benefits under the Dislocated Worker Program.

The problem that I see there is that while there are jobs available, they are minimum wage and just slightly above minimum wage, full-time jobs. A person who wants to go to school and fur-

ther their education so that they can come into a better paying job, if they are working part time, they can earn any amount of money and still qualify. But if you were working full time, no matter what your income you do not qualify for the Dislocated Worker Program. Therefore, a person working full time at a minimum wage job does not qualify, and, of course, then, cannot afford to go to school. So you are stuck in a rut.

This is one of the things that I would like to see possibly addressed to be changed a little bit so that someone who cannot earn enough to pay their coat of tuition could still go to college and pick up some new skills that we need to turn this area around.

Senator SIMON. I thank you. Incidentally, we have a bill that is probably going to be reported out of the committee which might serve to expand the Dislocated Worker Program a little. Frankly, we are reaching just a small percentage of those who need help.

Now, if I may just ask you first, Mr. Howie, you have run out of your unemployment compensation, I gather.

Mr. HOWIE. Yes, sir.

Senator SIMON. And, Mr. Howie, do you have a family?

Mr. HOWIE. I have a wife and two children at home. At the moment my wife is working part time. In October I took a course, and I now have a valid license as a registered representative in sales of securities and so on. I do find that with my personality, that will not put a living in my home.

I've got about a year left to pay the mortgage on my house, and I've got a girl seventeen and a boy who will be sixteen in June. I'd like to be able to put them in college when they get out of school.

Senator SIMON. So you face the possibility of two children in college, one more year of mortgage payments, your wife working part time. Without some job prospects, life could be pretty grim down the road a little ways?

Mr. HOWIE. That is true.

Senator SIMON. A bill, and you may have heard it described here before, would not offer much help. Minimum wage would be around $464 a month. Let's just say both you and your wife were doing that. That would be $928 a month between the two of you. Not a lot of money, but that could be a real help, could it not?

Mr. HOWIE. Definitely, definitely. The way that our family economy is we could do it on that. We could get by on that.

Senator SIMON. It wouldn't be ideal, but it's a lot better. The original welfare payment in Illinois—incidentally, I think most people exaggerate what people get on welfare. The average payment is $289 a month. In Mississippi the average is $92 a month. How can anyone live on $92 a month, a family living on $92 a month? I don't understand.

Ms. Palmer, you are still drawing unemployment compensation?

Ms. PALMER. Yes.

Senator SIMON. And you mentioned your faith in the Lord, and I commend you for that, but you also have to have a little faith in the government and somebody helping you a little bit?

Ms. PALMER. Yes, I do. I have two sons. One is sixteen and one is thirteen. My oldest son is a sophomore and was inducted into the National Honor Society. My other son is on the honor roll the second time. Both of my children are doing very well in school.

Looking further down along the line, if I cannot find full-time employment here, I know I am going to have to seek employment outside the area.

I don't want to take any children away from this area because I feel that the schools are doing very well here. If they weren't, my kids would not be doing that well.

I'm used to doing without and working with less. Yes, working with John Deere I did get quite a bit more than the average employee in the Quad-City area, but when things like this happen to you, you just cannot think that you are going to be able to find a job paying as high. You have got to look a little bit lower and lower your level of expectation until you can reach back up to where you want to be.

When you were speaking of what you might get a month, it is better than nothing. I can work with what I have. I am also trying to buy my home and trying to finish getting my degree in business administration. I have set my goals high, and I know I'm going to have to work very hard and work with less until I can get back where I was.

I don't want to leave this area and take my kids out of this area. We have it just as good as any other country, and this area needs people like me and everyone to help it to grow, to be back up to where it used to be.

I would say that whatever you can do, and even though it may be minimum wage, we can work with it. When you know what you want to be you just have to keep working hard at it until you reach it.

Senator SIMON. Good for you. I might add since you each have two children, all four sound like they are college potential material. If they are not able to go on to school, that is not only a loss for your families, it's a loss for the nation. What we have to do is to see how we can give people the opportunity to be productive, to use their talents.

Mr. EVANS. I Just want to salute you for having the courage to come forward in front of the cameras and testify here today. I don't think your stories are atypical. I know they are very similar to what so many hardworking Americans face throughout our country, people that have fought and defended this country in time of wars and paid the taxes, obeyed the laws, built communities and then suddenly face massive unemployment.

Larry, I guess my question would be if we haven't reached you, if we have problems getting information out to you, since we are formulating the Displaced Worker Program, what might we do better to reach people such as yourself that don't get reached?

Mr. HOWIE. I think, Congressman, whatever media that most people are using. Just about everybody has some sort of a TV set in the house. I know a lot of people don't realize that the program applies to them. I didn't. I think too, frankly, I was a little embarrassed that I had never even looked at unemployment insurance for all my working life, and all at once I was using it and running out of it.

I really did not see that—I didn't see anything that said "You can fit this program," or "This program is out here. How do you qualify?" I think that possibly some more TV advertising, some

more newspaper advertising, something to clarify the requirements to use the program, the benefits of the program.

Mr. EVANS. Okay. Well, maybe your testifying, the courage of that, will get out to some people that haven't heard very much. Thank you both for coming today.

Senator SIMON. We thank you very much. Let me add something that both of you touched on. It is not only the kind of grim future you may face, there is also a hurt to your pride in being unemployed. That is, somehow we always think it's never going to happen to us, but it is there. We have to make sure we provide the opportunity for Americans to work and be productive. We thank you both very, very much.

Our next witness is Paul Mulcahey, Chairman of the Rock Island County Board of Supervisors.

STATEMENT OF PAUL MULCAHEY, CHAIRMAN, ROCK ISLAND COUNTY BOARD OF SUPERVISORS

Mr. MULCAHEY. First of all, I would like to thank you for coming to Rock Island County to talk about the jobs bill. It's a good place to start because it shows that you are familiar with some of the economic problems that we have had in the community with regard to work.

I don't have a completely prepared text, but I asked for our JTPA people to put together a packet that I have for you today which tells some of the things that we have been doing with regard to jobs in this community. But it hardly gets as comprehensive as your bill will be.

Briefly, to review the first page, it states that during the period of time of January 1, 1975 through September 30, 1981, Title VI CETA program provided employment opportunities similar to those proposed today under the Guaranteed Job Opportunity Act, and there are some figures there that, as I say, are not quite as comprehensive as what will happen with your bill, but employees of the CETA Title VI program were retained after the program ended but were not required to do so.

The fact that they entered employment after participation rate of about 40 percent is noteworthy, as is the total positive termination rate of 63.7 percent. This indicates a willingness on the part of the public and not-for-profit employers to cooperate in such a program, and I feel that that cooperation certainly exists today in our community.

Unemployment in Rock Island, Henry, and Mercer Counties is much higher now than it was in the CETA grant period with the area unemployed persons number at 11,676 in February 1987, which is a rate of 10.7 percent. The number of people out of work certainly is much higher than that.

Many of these unemployed and long-term unemployed would significantly benefit from the Guaranteed Job Opportunity Act. I have included in this packet some statistics, which you can review or your committee can review, with regard to the unemployment situation in this community. Also, on the back is a sheet that has been prepared listing some of the unemployment problems that exist in the whole Quad-City area.

Although these numbers are startling, I think that they don't tell the whole picture about what's going on with the unemployed person in our community center. Certainly, the economic losses and the losses in pay are staggering and can hurt. But I was thinking when I was coming back from Washington this week of some of the things I would say here this morning—I remembered back when I was in high school of some of the things the brothers used to tell us, and, unfortunately, over the years I have forgotten a lot of the things that the brothers used to tell us, but one thing I remember is that they spoke at length of the dignity of work.

You mentioned pride. I think the dignity of work is something we sometimes overlook. We look at statistics, and we look at figures, and we look at economics, but we don't look at work as being a dignified activity.

We all understand that we have to be participants in what makes this world go around. It doesn't work by itself. It works by all of us making contributions to it. When people don't have work, I think that they don't feel like they are making contributions in what makes the world work.

I think you mentioned pride earlier. Pride certainly is a part of that dignity. From my personal experience and as chairman of the county board, I get a great deal of satisfaction out of seeing us taking some of the work participants from some of the townships, and they are poor people, mostly single-parent mothers. Not all of them, but a lot of them, and they come to work for us in our assessor's office or in our zoning and building office or in the probation office or one of the offices in the county to help us out.

When they first get there they are lacking in confidence. They are unsure of themselves and just what they are going to do. It's amazing after they have been given the opportunity and have been given a chance to participate in what makes the world work, they change in a very positive way. They exhilarate confidence. They feel like they are a part of what's going on. They smile more and they feel like they are contributing.

I think that from those experiences—we have cheated also. We have got a lot of these people on the payroll. They have just done such a good job. We have found that that program has been very successful by just giving people the chance to work and giving them a little dignity with that work.

I'm here today to say that I wholeheartedly support your legislation. We need it very badly all over the country, but we particularly need it here.

I was reviewing it, and I have some concerns about the distribution of funds on the state-wide level. There are some areas of this state that obviously have been hurt more than other areas, particularly in Rock Island County, Winnebago County, and Peoria County, and we have been hit really hard. Some other counties could offset some of the money that could be coming here.

I have a little bit of a problem with that, and I would like that to be looked at a little more thoroughly with regard to Illinois. Perhaps we could singularly look at the area your bill addresses, and maybe the funding can be directed more toward counties or delivery areas that have been set up.

I'm very glad to be here, and I wholeheartedly endorse and support your legislation, and I hope it goes.

[Information supplied for the record by Mr. Mulcahey follows:]

During the period January 1, 1975 through September 30, 1981, the Title VI CETA program provided employment opportunities similar to those proposed under the Guaranteed Job Opportunity Act, as to:

-were predominately "project" based job opportunities;

-targeted to unemployed youth & adults (18 years of age and older);

Results of this program in summary were:

Total participants	904	
Entered employment after participation	330	36.5%
Other positive terminations (school, military)	246	27.2
Total positive terminations	576	63.7%
Non-positive terminations	328	36.3
	904	100.0%

Above persons served included:

Minorities	449
AFDC & other Public Assistance recipients	261
Exhausted Unemployment Benefits	173
Unemployed 15+ weeks	293

Employers in the CETA Title VI program were encouraged to retain participants after the program ended, but were not required to do so. Given that fact, an entered employment rate of almost 40% is noteworthy, as is the total positive termination rate of 63.7%. This indicates a willingness on the part of public and not-for-profit employers to cooperate in such a program then, and I feel that cooperation still exists today.

Unemployment in Rock Island, Henry and Mercer Counties is much higher now than it was in the CETA grant period. SDA#13 area unemployed persons numbered 11,676 at February 28, 1987, a rate of 10.7%. Many of these unemployed are long-term unemployed who would significantly benefit from the Guaranteed Job Opportunity Act.

Illinois Labor Force Report
Issued by Illinois Dept. of Employment Security
as of February, 1987 (Preliminary Report)

Area	Labor Force	Employment	Unemployment Number	Unemployment Rate
City of Moline	21,982	19,903	2,079	9.5%
City of Rock Island	20,271	18,457	1,814	8.9%
Balance of Rock Island County	34,091	36,124	3,967	11.6%
Henry County	23,531	20,849	2,682	11.4%
Mercer County	8,777	7,643	1,134	12.9%
Rock Island County	76,344	68,484	7,860	10.3%
SDA #13	108,652	96,976	11,676	10.7%

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TABLE 1:TITLE IIA ELIGIBLE POPULATION SUBSTANTIAL SEGMENTS
SERVICE DELIVERY AREA:18

	ECONOMICALLY DISADVANTAGED POPULATION	PERCENT	ECONOMICALLY DISADVANTAGED JOB SERVICE APPLICANTS	PERCENT	AVERAGE OF PERCENTAGES
MALE	5244	34.5	138	58.2	46.4
FEMALE	9965	65.5	99	41.8	53.6
16-19	1663	14.0	8	3.4	8.7
20-21	993	8.3	7	3.0	5.6
22-44	6648	55.8	193	81.8	68.8
45-54	1051	8.8	19	8.1	8.4
55+ *	1564	13.1	9	3.8	8.5
WHITE	12343	81.2	179	75.5	78.4
BLACK	1834	12.1	43	18.1	15.1
HISPANIC	751	4.9	11	4.6	4.8
AMER. IND	30	0.2	0	0.0	0.1
ASIAN	245	1.6	4	1.7	1.6
TOTAL **	15209		237		

actual % is unavailable by equivalent to extend 40% (ave.) dollars on youth.

ECONOMICALLY DISADVANTAGED POPULATION:IBOB PROJECTION FOR 1985(16+)
E.D. JOB SERVICE APPLICANT:IDES TABULATION FOR SEPT. 1985
*IBOB FIGURES FOR THIS AGE COHORT HAVE BEEN ADJUSTED TO 55-64 AGE POPULATION
**RACE AND AGE CATAGORIES WILL NOT EQUAL TOTAL DUE TO 55+ AGE ADJUSTMENT
AND AN OTHER RACE CATAGORY NOT DISPLAYED

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TABLE 3:OLDER WORKERS ELIGIBLE POPULATION SUBSTANTIAL SEGMENTS
SERVICE DELIVERY AREA:13

	ECONOMICALLY DISADVANTAGED POPULATION	PERCENT	ECONOMICALLY DISADVANTAGED JOB SERVICE APPLICANTS	PERCENT	AVERAGE OF PERCENTAGES
MALE	562	35.9	8	88.9	62.4
FEMALE	1002	64.1	1	11.1	37.6
WHITE	1390	88.9	7	77.8	83.3
BLACK	119	7.6	0	0.0	3.8
HISPANIC	51	3.3	1	11.1	7.2
AMER. IND	0	0.0	0	0.0	0.0
ASIAN	4	0.3	1	11.1	5.7
TOTAL *	1564		9		

ECONOMICALLY DISADVANTAGED POPULATION:IBOB PROJECTION FOR 1985(55-64)
E.D. JOB SERVICE APPLICANT:IDES TABULATION FOR SEPT. 1985(55+)
*RACE CATAGORIES WILL NOT EQUAL TOTAL DUE TO AN OTHER RACE CATAGORY NOT DISPLAYED

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TABLE 4 DROPOUT AND WIN RECIPENT PERCENT OF ELIGIBLE POPULATION

	ECONOMICALLY DISADVANTAGED POPULATION	ECONOMICALLY DISADVANTAGED JOB SERVICE APPLICANTS	ECONOMICALLY DISADVANTAGED JOB SERVICE APPLICANT DROPOUTS	Dropouts/ PERCENT *	PUBLIC AID WIN RECIPENTS	WIN PERCENT **
SDA 1	15717	735	514	69.9	977	11.9
SDA 2	4237	151	54	35.8	149	6.8
SDA 3	13916	1915	1430	74.7	1341	16.9
SDA 4	8897	1161	739	63.7	823	16.4
SDA 5	18830	1892	1001	52.9	1046	10.1
SDA 6	15308	464	138	29.7	523	6.6
SDA 7	48082	10405	4523	43.5	7129	24.4
SDA 8	19283	1790	708	39.6	446	4.2
SDA 9	388425	101073	48360	47.8	52313	21.4
SDA 10	13157	1668	899	53.9	1367	18.4
SDA 11	9628	1859	972	52.3	1178	20.5
SDA 12	7541	553	290	52.4	787	19.4
SDA 13	11919	237	94	39.7	1825	30.0
SDA 14	18060	2557	1226	47.9	1734	16.8
SDA 15	13210	1344	647	48.1	2158	29.7
SDA 16	18310	2062	891	43.2	2156	21.2
SDA 17	20191	1321	535	40.5	713	6.6
SDA 18	6022	1408	620	44.0	662	17.8
SDA 19	8131	2466	1307	53.0	913	17.2
SDA 20	14159	1956	960	49.1	1253	15.6
SDA 21	11452	2455	1121	45.7	1017	14.6
SDA 22	16065	3071	1244	40.5	2030	21.2
SDA 23	20654	2337	1122	48.0	1620	14.1
SDA 24	31546	4349	1805	41.5	4011	22.3
SDA 25	22989	5245	2344	44.7	1696	12.0
SDA 26	15235	6030	3163	52.5	1770	16.6
TOTAL	790961	160504	76707	47.8	91637	

ECONOMICALLY DISADVANTAGED POPULATION:IBOB PROJECTION FOR 1985(16-64)
E.D. JOB SERVICE APPLICANTS DROPOUTS:IDES TABULATION FOR SEPT. 1985(16+)
E.D. JOB SERVICE APPLICANTS :IDES TABULATION FOR SEPT. 1985
WIN RECIPENTS:IDPA TABULATION FOR SEPT. 1985
* THIS PERCENTAGE IS FIGURED FROM THE DES E.D. POPULATION DATA.
** THIS PERCENTAGE IS FIGURED FROM A AVERAGE OF THE IBOB AND DES E.D. POPULATION DATA.

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TABLE 6: POPULATION TARGET GROUPS

	GENERAL POPULATION	DISABLED	PERCENT	VIETNAM VETERANS	PERCENT	TOTAL VETERANS	PERCENT
SDA 1	347050	9101	2.6	16244	4.7	57655	16.6
SDA 2	114017	3436	3.0	6068	5.3	19443	17.1
SDA 3	211780	7402	3.5	9898	4.7	35696	16.9
SDA 4	153948	5375	3.5	6464	4.2	24538	15.9
SDA 5	299474	9330	3.1	14045	4.7	46866	15.6
SDA 6	531574	12789	2.4	76669	14.4	86691	16.3
SDA 7	1015565	110041	10.8	41185	4.1	184533	18.2
SDA 8	670887	76609	11.4	25677	3.8	119757	17.9
SDA 9	2337949	388914	16.6	266750	11.4	296924	12.7
SDA 10	243434	7241	3.0	13060	5.4	40778	16.8
SDA 11	131523	4561	3.5	5902	4.5	21564	16.4
SDA 12	145410	4894	3.4	6209	4.3	25749	17.7
SDA 13	181660	6270	3.5	8494	4.7	31547	17.4
SDA 14	197808	6820	3.4	8486	4.3	32389	16.4
SDA 15	189106	6434	3.4	9162	4.8	33333	17.6
SDA 16	240003	7982	3.3	11732	4.9	40173	16.7
SDA 17	184253	5838	3.2	7818	4.2	25065	13.6
SDA 18	71242	2662	3.7	3225	4.5	12954	18.2
SDA 19	111558	3182	2.9	5217	4.7	20256	18.2
SDA 20	209276	6714	3.2	10286	4.9	36757	17.6
SDA 21	146348	5073	3.5	6272	4.3	25182	17.2
SDA 22	202017	7400	3.7	10338	5.1	37853	18.7
SDA 23	242742	7794	3.2	10484	4.3	39280	16.2
SDA 24	276197	9639	3.5	13315	4.8	45997	16.7
SDA 25	176994	6092	3.4	8048	4.5	27918	15.8
SDA 26	139112	4782	3.4	5561	4.0	22279	16.0

GENERAL POPULATION:1808 PROJECTION FOR 1985[1641]
DISABLED:1980 CENSUS
VIETNAM VETERANS:1980 CENSUS
TOTAL VETERANS:1980 CENSUS

DCCA/RESEARCH OFFICE

TABLE 6: POPULATION TARGET GROUPS

	GENERAL /POPULATION	PAROLEES	PERCENT	LONG TERM UNEMPLOYED	PERCENT	DCFS WARDS OF THE STATE	PERCENT
SDA 1	347050	746	0.2	12999	3.7	161	0
SDA 2	114017	234	0.2	3764	3.3	40	0
SDA 3	211780	925	0.4	8808	4.2	157	0.1
SDA 4	153948	405	0.3	5442	3.5	86	0.1
SDA 5	299474	923	0.3	9803	3.3	149	0
SDA 6	531574	589	0.1	13557	2.6	138	0
SDA 7	1015565	1826	0.2	43171	4.3	636	0.1
SDA 8	670887	364	0.1	17579	2.6	323	0
SDA 9	2337949	NA	0.0	137289	5.9	2681	0.1
SDA 10	243434	635	0.3	10872	4.5	126	0.1
SDA 11	131523	359	0.3	6491	4.9	96	0.1
SDA 12	145410	382	0.3	6850	4.7	176	0.1
SDA 13	181660	552	0.3	6878	3.8	126	0.1
SDA 14	197808	599	0.3	9600	4.9	158	0.1
SDA 15	189106	1127	0.6	8235	4.4	220	0.1
SDA 16	240003	811	0.3	10782	4.5	266	0.1
SDA 17	184253	883	0.5	6678	3.6	134	0.1
SDA 18	71242	269	0.4	4331	6.1	75	0.1
SDA 19	111558	833	0.7	5909	5.3	102	0.1
SDA 20	209276	894	0.4	10146	4.8	172	0.1
SDA 21	146348	448	0.3	7349	5.0	84	0.1
SDA 22	202017	997	0.5	11204	5.5	134	0.1
SDA 23	242742	768	0.3	12103	5.0	166	0.1
SDA 24	276197	1349	0.5	16364	5.9	272	0.1
SDA 25	176994	885	0.5	10150	5.7	141	0.1
SDA 26	139112	695	0.5	8316	6.0	92	0.1

GENERAL POPULATION:IBOB PROJECTION FOR 1985(164)
PAROLEES:IDOC TABULATION FOR SEPT. 1985.
LONG TERM UNEMPLOYED:1980 CENSUS
WARDS OF STATE:IDCFS TABULATION FOR SEPT. 1985

DCCA/RESEARCH OFFICE

TABLE 6. POPULATION TARGET GROUPS

	GENERAL POPULATION	DORS HANDICAPPED	PERCENT	DPA AFDC	PERCENT	DPA G.A.	PERCENT
SDA 1	347050	1119	0.3	4604	1.3	442	0.1
SDA 2	114017	280	0.2	651	0.6	51	0
SDA 3	211780	1244	0.6	5634	2.7	893	0.4
SDA 4	153948	723	0.5	2812	1.8	321	0.2
SDA 5	299474	837	0.3	5183	1.7	392	0.1
SDA 6	531574	1058	0.2	2179	0.4	182	0
SDA 7	1015565	2632	0.3	23998	2.4	2096	0.2
SDA 8	670887	1077	0.2	2137	0.3	218	0
SDA 9	2337949	5586	0.2	185866	7.9	103550	4.4
SDA 10	243434	657	0.3	5496	2.3	530	0.2
SDA 11	131523	651	0.5	4638	3.5	294	0.2
SDA 12	145410	721	0.5	3097	2.1	483	0.3
SDA 13	181660	1342	0.7	6029	3.3	631	0.3
SDA 14	197808	1415	0.7	5739	2.9	751	0.4
SDA 15	189106	1380	0.7	7531	4.0	484	0.3
SDA 16	240003	1257	0.5	6937	2.9	928	0.4
SDA 17	184253	972	0.5	3088	1.7	286	0.2
SDA 18	71242	590	0.8	2546	3.6	293	0.4
SDA 19	111558	695	0.6	3570	3.2	122	0.1
SDA 20	209276	1080	0.5	5528	2.6	533	0.3
SDA 21	146348	846	0.6	3766	2.6	537	0.4
SDA 22	202017	1282	0.6	7435	3.7	489	0.2
SDA 23	242742	1500	0.6	5704	2.3	544	0.2
SDA 24	276197	801	0.3	15459	5.6	397	0.1
SDA 25	176994	1307	0.7	5803	3.3	456	0.3
SDA 26	139112	1506	1.1	5700	4.1	531	0.4

GENERAL POPULATION:IBOB PROJECTION FOR 1985(16+)
HANDICAPPED: DORS TABULATION FOR SEPT. 1985
AFDC:DPA TABULATION FOR SEPT. 1985.
GENERAL ASSISTENCE(GA):DPA TABULATION FOR SEPT. 1985.

QUAD CITY AREA STATISTICS

LABOR FORCE

- In 1980, the bi-state region labor force totalled 211,964 persons. In 1986, the total dropped by 2.7% to 206,246.

EMPLOYMENT

- Non-agriculture wage and salary employment to the MSA was down 11.1% in 1986 from 1979.
- Non-electrical machinery, the largest manufacturing classification, employed 16.9% of the labor force in 1979. In 1986, 13,925 fewer people were employed - a 49.7% decrease.
- Rock Island Arsenal employment has INCREASED to 10,500 from 7,300 in 1979.

UNEMPLOYMENT

- 19,000 manufacturing jobs have been lost since 1979, a 38% decline; most of the job losses are considered permanent.
- MSA average annual unemployment rates have ranged from 10.1% to 14.1% over the past five years; 3 to 5 percentage points above the national average.
- New statistic - exhausted unemployment benefits; over 12,000 workers have exhausted their benefits and turned to the human service system for assistance.

POPULATION

- 1.4% decrease since 1980; currently estimated to be 438,000 - down from 443,680 (region).
- Iowa's elder population has grown 11.2% between 1950 and 1980 and is fourth in the nation in percentage of population.
- The elder population in Iowa and Illinois is equal to or exceeds the national average; Iowa's elder population constitutes 14.3% and in Illinois 12.0 percent of their total population - the U.S. figure is 12%. Iowa's 85+ population ranks first in the nation as a percent of Iowa's elderly population.

PLANT CLOSINGS

- In addition to the 19,000 manufacturing jobs already lost, an additional 2,400 jobs will be lost by the closing of the Caterpillar and Case plants in 1988.
- Nearly 1,000 jobs are lost by major suppliers to manufacturing plants.

MANUFACTURING SPACE IDLE

- 9 million square feet of manufacturing and warehouse space is available in the Quad-Cities.
- 6.7 million square feet of the space is available among four major manufacturing plants.

HOUSING

Vacancy rate for all housing units in the Quad-Cities has steadily increased over the last 7 years to a level of 6% in 1987.

Senator SIMON. Thank you very, very much. Let me first say that we will put the statistics and your statement into the record.

Your point about priorities is probably a change we need in the law because we are not going to jump into this thing full blown immediately, and so as you start the program, it ought to be started in areas with the greatest unemployment problems.

The dignity thing that you mentioned really is important, and the problems that people face—we just heard from two people. I was in a meeting with Lane Evans last night, and I mentioned a young man that I had met in Chicago who came up to me desperate for a job. He said he lives with his mother and his five younger brothers and sisters, and he told me, "Last week I didn't eat two days. My mother doesn't know it, but I didn't want to be taking food away from my younger brothers and sisters." You know, that just shouldn't happen in this country.

We have to provide opportunities for people, and on the dignity let me just mention one thing. I'm probably going to get the details mixed up because it's been some years ago, but some of the people in Jonesboro where they have the Shawnee National Forest thought they needed a new ranger station there.

The forest service said they didn't have the money, but I got the forest service together with the painters, plumbers, and carpenters union and the welfare people, and I said, let's see if we can't have a joint project, and let's see if we can't—let's hire union supervisors so there will be union jobs that are represented there, and let's take some people who are on welfare and put them to work. The interesting thing is we got an agreement.

We ended up with union jobs that weren't there before. Seventy-four people worked, some of them for just a day or two. Men and women worked on that. It ended up getting done, and they saved a few dollars on the project.

I think the most important thing, and it's interesting and a little bit like your experience on what you offer people on welfare here. Once they got into it, all 74 got jobs in the private sector. Some just worked a day or two, but I have to believe that all 74 today drive past there and say, I helped build that. It is a pride that we ought to be able to give.

Mr. MULCAHEY. I don't think you can just measure it in dollars and cents, but, again, I don't want to diminish the importance of that. I think that it is important to be a part of the process and want to be a part of the process.

Senator SIMON. The great division in our society is not between black and white or Hispanic and Anglo. It's between people who have given up and people who have hope, and we ought to give them a spark of hope.

Mr. EVANS. Thank you, Paul. I just want to thank you again for being with us today. You were out in Washington just the other day, and we appreciate you giving your input, and I look forward to working with you as we consider this and other things.

I know of my own personal experience as legal aid attorney with the CETA program. We hired a woman who had been on welfare for three generations, and she's still working there now, so it's a good program. It has enabled some people to get out of that cycle of poverty and despair, and we hope we can get something new, per-

haps a stronger program than what the CETA program was, in Paul Simon's bill.

Senator SIMON. Thank you. The next witness will be a panel. Joe Matesic, the Iowa Vice-President of the Quad-City Federation of Labor; Tom Stockton, the Business Agent for the Machinists in this area; and Dick Johns, Secretary/Treasurer of the Tri-City Building Trades Council.

We are very pleased to have all three of you here. Mr. Matesic, if we can call you on first.

STATEMENTS OF JOE MATESTIC, VICE, PRESIDENT, QUAD CITY FEDERATION OF LABOR, AFL-CIO, ROCK ISLAND, IL; TOM STOCKTON, BUSINESS AGENT FOR MACHINISTS; AND DICK JOHNS, SECRETARY-TREASURER, TRI-CITY BUILDING TRADES COUNCIL

Mr. MATESIC. I would like to thank Senator Simon and Congressman Evans for giving me the opportunity to speak this morning. I'm going to try to read my prepared statement as much as I can.

Thank you for giving the Quad-City Federation of Labor, AFL-CIO, the opportunity to testify here today. We do greatly appreciate it.

My name is Joe Matesic, the Iowa Vice-President of the Quad-City Federation of Labor, and I also work at Alcoa, and I am a member of the brick, aluminum and glass workers union, Local 105. The Quad-City Federation is also a sponsor of the program called Project Assist, which helps—it's an outreach program for unemployed in our area.

On behalf of the 12 million Americans who are currently unemployed, I am very pleased to speak on S. 777, the Guaranteed Job Opportunity Act, and I got my 12 million from watching C-Span the other day. I happened to go by and see Secretary-Treasurer Tom Donohue, and that's the number he used in his speech, and that's the number I'm using, compared to your 10 percent you mentioned earlier.

Senator SIMON. The official figure is 7 million, but when I use the 10 million figure, there is no question that is a conservative figure. 12 million may very well be accurate.

Mr. MATESIC. While our unemployment rate hovers around 7.5 percent, Japan's sits at 2.6 percent, Italy's at 6 percent, Sweden's at 2.8 percent, and Switzerland's is less than 1 percent. The four countries listed work to employ their citizens, whereas our government and business world still need to and must take a better approach to keep our citizens employed.

Furthermore, we should not work only toward the concept of full employment, but we should also work to provide jobs above the poverty level with adequate benefits provided, such as health care.

I was watching the Oprah Winfrey show this past Tuesday morning. It was a rebroadcast of a show on the welfare system in America. Of the three panelists on the show, one was a licensed cosmetologist who was on welfare because she could not afford to work and properly support her family. She stated that she was on welfare once, went to school to become a cosmetologist, and got a job at minimum wage.

She worked for a short period of time but decided to go back on welfare so that she could get the health benefits it provided. I think that's another area we need to look at, not only guaranteeing jobs, but adequate health benefits for people.

Our national deficit keeps growing, and we are doing very little to decrease the welfare rolls and increase our tax revenues by putting people back to work. President Reagan estimates the one million unemployed people cost the federal government $28 billion, while others in the administration estimate the cost to be about $35 billion.

Federal programs included are food stamps, welfare, unemployment compensation, Medicaid, and other programs. If we look at that number a little conservatively, and, say, around $25 million in revenue for each million unemployed, and cut our national number of unemployed down to 6 million, it would save us a minimum of $150 billion per year.

Now that we have viewed the numbers, another avenue we must look at is the mental well-being of those people. Using the Quad Cities as an example, our unemployment rate is somewhere around 9 percent, which is what I saw in the paper, and I don't believe that is an accurate number, either. I believe it to be a little higher because, like you said, there are a lot of people that are not employed. They are working partially at jobs that really are just barely getting them by. Most of the unemployed in our community are unemployed as a result of our agricultural climate and not because they want to be.

In a few short months J.I. Case Company will be closing its Rock Island and Bettendorf plants, plus Caterpillar is closing its Davenport plant sometime in 1988. These workers are not the chronically unemployed workers of the past. They are workers with long and steady work records and have served our country in the Korean and Viet Nam conflicts. They have been substantial taxpayers and the backbone of our community. These are families who have been products of the American dream and are now seeing that which they worked hard to attain slipping through their fingers.

As a result of high unemployment, we are changing income class structures of our country to include two more groups. They are the high school graduate and the middle-age group of forty-three years of age and higher. I wonder how many of these people have lost their self-worth and assertiveness from the increasingly bleak forecast of job opportunities. Our community has also seen more suicides, broken families, crime and drug abuse as a result of this problem.

To quote Lane Kirkland, president of the AFL-CIO, "For the first time in our history, we have a generation of Americans who cannot reasonably expect to do as well as their parents." That is a very true statement. I have a daughter who is thirteen and a son who is ten, and I wonder what are they are going to do when they come out of high school, or if they go to college.

In closing, I would like to applaud you on your proposal, S. 777. I hope that some day it will become a reality and not just a concept.

Thank you, again, for giving me the opportunity to testify here today.

[The prepared statement of Mr. Matesic follows:]

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STATEMENT BY:

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QUAD CITY FEDERATION OF
LABOR, AFL-CIO
ROCK ISLAND, ILLINOIS

PRESENTED TO THE SENATE COMITTEE ON LABOR
AND HUMAN RESOURCES SUBCOMMITTEE ON
EMPLOYMENT AND PRODUCTIVITY.

UNITED STATES SENATE

APRIL 3, 1987

"God Must Have Loved The Working Man -- He Made So Many of Them"

Senator Simon:

Thank you for giving the Quad City Federation of Labor, AFL-CIO, the opportunity to testify here today. We do greatly appreciate it.

I am Joseph Matesic, Vice President of the Quad City Federation of Labor, AFL-CIO, which sponsors an outreach worker program called Project Assist. On behalf of the 12 million Americans who are currently unemployed, I am very pleased to speak on Senate proposal S. #777 - the Guaranteed Job Opportunity Act.

While our unemployment rate hovers around 7.5%, Japan's sits at 2.6%, Italy's at 6%, Sweden's at 2.8% and Switzerland's is less that 1%. The 4 countries listed work to employ their citizens, whereas our government and business world still need to and must take a better approach to keep our citizens employed. Furthermore, we should not work only toward the concept of full employment. We need to provide jobs above the poverty level, with adequate benefits provided such as health care.

I was watching the Oprah Winfrey show this past Tuesday morning. The subject was the welfare system in America. Of the three panelists on the show, one was a licensed cosmetologist who was on welfare because she could not afford to work and properly support her family. She stated that she was on welfare once, went to school to become a cosmetologist, and got a job at minimum wage. She worked for a short period of time but decided to go back on welfare so that she could get the health benefits it provided. As I stated earlier, I feel American government and business must work better toward our growing unemployment problems.

While our national deficit keeps growing, we are doing very little to decrease the welfare rolls and increase our tax revenues by putting people back to work. President Reagan estimates that one million unemployed people cost the federal government 28 billion dollars while others in the administration estimate the cost to be 35 billion dollars. Federal programs included in that number are food stamps, welfare, unemployment compensation, and other programs. If we look at that number a little conservatively and say that number is 25 billion dollars in revenue for each million unemployed, and cut our national number of unemployed down to 6 million, it would save us a minimum of 150 billion dollars per year.

Now that we have viewed the numbers, another avenue we must look at is the mental well being of these people. Using the Quad Cities as an example, our unemployment rate is somewhere around 9%, with a vast majority of our jobs related to the agricultural industry. Most of the unemployed in our community are unemployed as a result of our agricultural climate not because they want to be.

In a few short months J.I. Case Company will be closing its Rock Island and Bettendorf plants plus Caterpillar is closing its Davenport plant sometime in 1988. These workers are not the chronically unemployed workers of the past. They are workers with long and steady work records and have served our country in the Korean and Viet Nam conflicts. They have been substantial taxpayers and the backbone of our community. These are families who have been products of the American dream and are now seeing that which they worked hard to attain now slipping through their fingers.

As a result of high unemployment we are changing income class structures of our country to include two more groups. They are high school graduates and the middle age group of 43 years and higher. I wonder how many of these people have lost their self-worth and assertiveness from the increasing bleak forecast of job opportunities. Our community has also seen more suicides, broken families, crime and drug abuse as a result of this problem.

To quote Lane Kirkland, president of the AFL-CIO,
"For the first time in our history, we have a generation of Americans who cannot reasonably expect to do as well as their parents."

In closing, I would like to applaud you on your proposal, Senate #777 and hope that someday it will become a reality and not just a concept.

Thank you, again, for giving me the opportunity to testify here today.

Senator SIMON. I thank you. What we ought to be doing is somehow make sure that thirteen and ten-year-olds have a bright future, and there is no reason we can't build that kind of future for them. Tom Stockton, a long-time friend.

Mr. STOCKTON. I appreciate that friendship from both of you. I thought seriously, gentlemen, about preparing a statement, and I thought seriously about making a lot of copies so that my ideas could get put forth in the cover text. I don't work well from speeches or written statements, and those of you who know me know me to be a fellow who likes to tell it like it is.

I've listened to the witnesses this morning, and my heart goes out to them, and I'm sure there will be others testifying here today. But most importantly, I doubt seriously if we today are really going to get at the heart of this thing, the opportunity, and I think that word in the bill itself has an awful lot to say. It speaks very loudly, job opportunity for everybody.

I speak mostly from personal experience. All but one of my four children have from time to time lived with me as adults, not children, but as adults. I currently have a twenty-nine-year-old son and a six-year-old grandson with residence in my home. My son can't find work. Lane met him a year or so ago. The six-year-old is a delight to have. He is exuberant. He takes much of my spare time and I enjoy him. But to be very honest, I wish I didn't have to do it, and when I sit and ponder his future, the six-year-old, he has not got one.

Our current administration and the way the United States is today, I'm not at all sure that that six-year-old will have an opportunity without some kind of legislation like this to do anything.

One of the goals in my life—and I want to speak just a little bit about goals—one of the goals in my life was to make sure my children had an opportunity to finish high school, and I used to preach to them, you know. A lot of times a teenaged youngster says, "Well, I want to spread my wings, and I want to go to California or Florida," or "My friends are doing this, and, Dad, can I go," and, "No, you have got to finish school. You have got to get through high school." And when my children were growing up, I knew they could go to work at John Deere or Farmall or J.I. Case or Cat, and I won't reiterate the conditions those companies that I just named off are in today.

So where is my six-year-old going to find employment here in this state? I don't know. I really don't know. His father, who also lives with me, had the same kind of motivational training that I did from my father, because I preached it loud and long at dinnertime or suppertime.

We talked about going to work, on being on time and doing as good a job as you can, and if you can't compete, then try, try hard. But today that twenty-nine-year-old young man has not had a decent job in eight years. He has gone to the Carolinas. He has gone to Florida. He's tried very hard, and, today, let me make this point, he doesn't have any goals. He's on Aid to Dependent Children, and if it wasn't for the dependent son, he wouldn't have any income.

He has tried, but he's given up hope, and he doesn't have goals. Now we have an attitude problem, and I submit that an awful lot

of those people that I made reference to earlier, who won't be here to testify, have a similar attitude problem.

It's a defeatist attitude. "Now why in the hell should I go out and look for a job? They are not going to hire me. I don't want to spend the money in gasoline to go out and do a job search, because I don't have the money. I don't have any unemployment. They have forgotten about me." "They" being, of course, the State government, the federal government, and I'm including unions, too, because the same people who have run out of the benefits come to the union.

There isn't a week that goes by that I'm not receiving calls. "Tom, have you got a job." "I'm sorry. We don't." There are few right places in the jurisdiction that the machinist union has, but, frankly, they are few and far between. With the amount of people unemployed they are not taking—they will not hire a person over forty years old when they can get a twenty-five or thirty-year-old, and that isn't age discrimination. They want someone who is going to be there for awhile, and they want someone who is young enough to participate in the rigorous activity of an industrial situation and manufacturing.

I see an awful lot of the industrial situations today that have gotten rid of people and replaced them with robots. You see this in automaking, and maybe the point ought to be made. We eliminate ten people on an assembly line and replace them with a robot, and that is great because the price of an automobile or the product manufactured goes down.

The problem is the robot doesn't have any wages, and he can't buy the product. We ought to be concerned about employing people, because those people who are making a good dollar also buy the product, and a robot doesn't have a family to feed.

The robots and the high tech that we now see coming into the manufacturing sector of the United States, frankly, they have no allegiance to anybody. They don't belong. The robots are not part of this society, but those robots, in fact, affect this society by eliminating work.

I have a daughter, youngest daughter, who is married, and by the way they were neighborhood friends. They grew up in the same neighborhood. Her husband could not get a job in the Quad Cities. He's in the Army. He would much rather be working in this community with his parents and with her parents, and we could visit. Right now, it's long-distance telephone calls, and, by the way, I pay for them. On Army pay you don't make many long distance phone calls.

I have another son who worked at a local company and was laid off, and he searched and searched and, frankly, he would not be a good car salesman or he wouldn't serve Hardees' or McDonalds' hamburgers well, and he is now in Arizona. He has got a job. It is forty hours a week. It doesn't pay much, and when he writes and when he calls he expresses a desire to be back home among those folks that he went to school with. Those people that he grew up with, his parents, his brothers and sisters, his nieces and nephews, and he is divorced from society in that respect because he can't find work here.

Paul, your Senate Bill 777 is an opportunity. It is a ray of hope. I, frankly, and this isn't original, but I was watching something on public television most recently, and they were comparing the Japanese educational system and how rigorous it really is to ours, and the tag on the end of the program indicated two analogies. One, if you view your child from an educational situation, do you view that child as a jar that you are trying to fill with knowledge, or do you view that child as a candle that you want to light. I prefer to light a candle.

I prefer to see Senate Bill 777 light those candles. And I think if this is passed, and I'm sure it will be, I hope, I pray it will be, that we can light some candles and that we can provide motivation to set goals, because people who don't have any resources, frankly, don't set any goals.

You have alluded earlier to teenage pregnancy, but, frankly, there are adults under the system as it exists today with pregnancy also, because it pays more money. There is no other hope for that person, by the way, and I'm not making judgments one way or the other to that particular situation. But it seems to me that if we provide an opportunity for people to get up and do something and earn money, the mental attitude improves. There is motivation and some goal-setting that is inherent with working.

I'm going to work overtime this Saturday because that money is the money that I'll use to do whatever, take my family to a movie. When people are unemployed, when there aren't any jobs, when there isn't any motivation, when the attitude deteriorates to the point that it has in an awful lot of unemployed, we remove those people from the society.

Locally I see appeals for volunteers, and with our unemployment situation today, you would think that volunteers for all the community activities that are going on would be overwhelming. People cannot afford to volunteer. Volunteering is not free. It costs something, and we have removed those people from our society. We also removed those unemployed from the decision-making because when we quit helping them and forget them, they don't participate. They don't have any motivation to participate.

Your bill does an awful lot of things. It may provide the opportunity for our people adversely affected by this economy and by this administration to become human beings again.

Once again, I want to thank you two very good friends for the opportunity to be here this morning. I do appreciate the invitation, Senator.

Senator SIMON. And we thank you. You are an eloquent witness. You summed up what's happening in our society very, very well.

My friend, Dick Johns.

Mr. JOHNS. It's a pleasure to be here today as it was Wednesday in Washington. Just reflecting for a moment, we sit here trying to do things for people who can't do something for themselves. We sat in Washington on Wednesday. We all said, "Let's help the Rock Island area specifically," while one of our persons went and voted against the bill that could help the job bill, as far as the highways is concerned.

I have a problem with that kind of thing. I think the cliche is: "You speak so loud that what you say I can't hear." I don't need to

tell you who it was. We all know who it was. He not only voted once, but voted twice. That's not why I'm here, but I couldn't resist the opportunity.

Senate Bill 777. I come from the building trades area. We don't have to talk to people who wonder what unemployment is, because our People have been suffering for the last five years. We talk about 12,080 hours a year to work. Our earning hours used to be 14 to 15, dropped to 12, and 8 and 9. You have a hard time keeping up. The unemployed do as well.

This bill that you have could bring dignity. When you are unemployed you think everybody is against you, including, sometimes, your own family. It seems that way because of the problems. But giving a person a job just for 32 hours, that's great, yes. For 10 percent over the minimum wage or whatever it might be, that's also great. It gives them something to take their family to church on Sunday, to have picnics in the park, and have the dollars so that they can enjoy their family, as these gentlemen have so eloquently told us already.

We want jobs. We don't want handouts, and this bill does provide that very thing. I have some questions about it, as I talked to your office on Wednesday, Judy, sitting back there, and the gentleman. I guess nothing worthwhile is easy. We need change.

I think a problem with the bill is, it doesn't say whether the areas designated as executive boards, which are made up of 13 persons, whether it will be statewide, whether it will be—well, it indicates as to the largest city in the area. I don't like that. I would like to see it based on the service-delivery areas of the PIC council.

I also would like to see labor have equal representation on those boards as well as business. We get along, but you don't like a token number of people on there, because you can't do anything. I think in the bill is says two persons from business and two persons from labor can kill a project if they care to. To just set up a program where you are never accomplishing anything, because if it isn't agreed upon by everyone, then you don't ever get anything done for the people you really want to do it for.

I had a father-in-law and a father that worked in the depression and worked on the Rock Island High School field up there. It was built during the last depression.

I think the way to encourage and get jobs quickly is through the construction industry. It generates as much as seven times. One dollar spent on construction will multiply itself seven times. A good way to spurt the area and get something going is to get money in people's pockets, and they would spend it.

We all know that that board, the executive board, is to be comprised of 13 people. I would like to see it chosen. It would seem the best way to do this. Put people on that have knowledge of construction, business, labor, and all this so that we can do a job we agree upon.

I also see that these jobs will do things that cannot be done by the private sector. We don't have the money. The public funds—we know where we are with public funds in all directions. Schools, cities, you know, they don't have the money, either. Do a job that the community can be provided of things that can't be done, so, thereby, not taking jobs away from people.

Change is always difficult. This bill introduces change. It's change for us, for everybody. I would like to tell you from the building trades that we would get behind you and help your bill become a reality in our area when this bill gets passed.

Senator SIMON. I thank you, all three of you. Let me just make a few comments on some of the things that were said.

Joe, you mentioned the health benefits. One of the things we do provide is that you would still be eligible for Medicaid under this program if you came aboard, though, frankly, we have to face up to this problem in our society more generally. We have 38 million people in this country who have no medical coverage whatsoever, and Lane and I day after day see the problems that come to us because of that. That is another problem that we also have to face.

One of you mentioned, I guess, Tom, you were the one that mentioned all the plants that have closed in this area. Not too long ago the Chief Executive of Harvester was in my office. Don, I asked him, how many people did you employ four years ago? He said 97,000. How many people do you employ today? He said 15,000. You know it is grim for some of these industries. The greatest thing you talked about is very, very real. People get down and they just kind of give up. It is an attitudinal thing.

Let me just add your twenty-nine-year-old son has some pluses over a lot of people. The day before yesterday I had lunch with a group representing the handicapped people in our society, people with disabilities.

One of the statistics they gave me was just astounding. Of the employable blacks with disabilities, either in a wheelchair or deaf or blind or something like that, 82 percent are unemployed. Among the other 18 percent who are employed, the average annual wage is $4,000 a year. You know, it is just staggering. It doesn't need to be like that in our society.

The building trades, Dick, you were talking about. I mentioned at a breakfast Tom and I were at this morning that one of the networks has recently said that a majority of people under the age of thirty are never going to own their own home. That's only going to be the case if we permit it to be the case. If we have programs to encourage young people to own their own home, building trades people are going to be working. There are so many things we can do to get things moving in this geographic area. We are eager, and that's why this kind of a session is good.

The governor, who is to designate the geographical area, will pick areas that are smaller geographic areas. We do have four from labor and four from business on there, and the reason for the vote together, so we don't end up with a problem, we don't want a project that takes business away or jobs away from labor unions. We don't want a project that takes business away from a local business that may be there. There are all kinds of things that could be done.

You mentioned before teaching people how to read and write. I came from my last breakfast meeting and drove over here with Tom Stockton. As we were crossing over the one bridge, he said, "No flooding this year." I was just reading a report on flooding. Do you know why we have a lot of the flooding? Well, we have put in parking lots and housing, and we've torn down trees to plant soy-

beans. We have torn down all these trees, and the water has to go somewhere. That's a major problem for Lake Michigan right now.

What if we told people who are sitting home who wanted to work, let's plant 200 million trees this year. Now, it wouldn't pay off tomorrow. It wouldn't pay off next year. But down the road we could be solving some of the problems in our society, as well as giving people a chance for dignity. I've talked long enough.

Mr. EVANS. I think I must just mention a colleague and friend, Charlie Hayes. Charlie has told me—and he's a trade machinist—that if he hadn't had that job, as difficult as it was coming from Chicago to Aledo, that he didn't think he would have gotten the experience and the discipline.

The experience he gained from that job was the key, and he's joined us now, representing the poorest division in the state, the south side of Chicago. So that is an American success story. We can give those opportunities to this generation of younger people.

You spoke, Tom, of an attitude problem. It used to be that when many people my age got out of the service or got out of high school, that the jobs were available by simply filling out an application. You didn't have to go through an interview or resume, and people that have worked twenty, twenty-five years or longer have never had those skills. They never had to have those skills, and they think that that whole process is demeaning. It's a difficult change for them to face.

I do want to salute all of you. I think that the example that Paul talked about of the private sector working with the government and the unions and business to do something, that's a very imaginative and creative use of your funds, and we salute you for those kinds of projects to help with the unemployment here.

Senator SIMON. I thank you. If I could just add, I think that Lane's last few sentences talking about cooperation is really what we have to have. We have to have government, labor, business working together, and we have to be a lot more creative than we have been. We can't simply limp along and think our problems are going to solve themselves.

Our final panel, Larry Lorensen, National Legislative Affairs Consultant, and Robert Anderson from Deere & Company.

We thank you both very, very much for being here. I certainly appreciate it, and I look forward to hearing from you. Mr. Lorensen.

STATEMENTS OF LARRY LORENSON, NATIONAL LEGISLATIVE AFFAIRS CONSULTANT, AND ROBERT ANDERSON, MANAGER OF PUBLIC POLICY PLANNING, DEERE & CO.

Mr. LORENSEN. Thank you very much, Senator. Actually, this morning I'm here to represent Mr. Eric Schwarz who is the president of the Illinois Quad City Chamber of Commerce, and they have asked me to present for your consideration and Congressman Evans, as well as the whole committee, some thoughts relative to Senate Bill 777. I don't know whether I am going to be able to match the eloquence of the preceding witnesses, but we'll certainly give it a try.

On behalf of the Illinois Quad City Chamber of Commerce, I wish to express appreciation for the opportunity to present a statement regarding S. 777, the Guaranteed Job Opportunity Act, which you have recently introduced in the Senate.

As you are aware, the Illinois Quad City Chamber of Commerce is an organization consisting of business representatives, professionals, and interested community citizens. Naturally, our organization is interested in programs promoting the economic health and well-being of our community.

With respect to S. 777 we concur with your view that it is more beneficial to promote individual dignity and worth by developing a program whereby one receives compensation for a positive contribution through meaningful employment rather than doing nothing or starving.

It is our hope that as S. 777 continues on its legislative journey, you and your fellow Senators and Congressmen strongly resist any attempts to convert this proposal in to a "make-work program."

When one contemplates the condition of this nation's needs, in both the private and public sectors, a well-constructed and administered program of providing meaningful employment opportunities for the thousands who are currently unemployed, because they may lack required skills, cannot help but be beneficial in the long run.

While there will be undoubtedly those who will view S. 777 as just another "liberal, do-good idea," if one seriously considers the existing expenditures in welfare, unemployment compensation, and numerous other existing federal and state programs, the commonsense approach taken in S. 777 cannot be argued with.

You are to be commended, Senator, for your initiative and leadership in proposing this legislation at a most critical point in our country's history.

In the months to come, we will be watching the reaction and progress this legislation generates with your colleagues in Congress. As it approaches final form, we will offer more specific comments to help strengthen the final bill.

Thank you for this opportunity to appear before you this morning and to present our views on this most timely issue.

[The prepared statement submitted by Mr. Lorensen on behalf of Eric Schwarz and the Illinois Quad City Chamber of Commerce follows:]

ILLINOIS
QUAD CITY
CHAMBER OF
COMMERCE

622-19th St., Moline,
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March 27, 1987

Honorable Paul Simon
United States Senator
Chairman, Sub-Committee on
Employment & Productivity

Dear Senator Simon:

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(Continued)

QUAD CITIES USA

Accredited
Chamber of Commerce
of the United States

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Sincerely,

Eric F. Schwarz

Eric F. Schwarz
President

EFS/br

c: United States Senator Alan Dixon
Congressman Lane Evans
Larry Reed
Del Skoglund
Richard Weeks

Senator SIMON. I thank you for your excellent statement, Mr. Lorenson. Mr. Anderson.

Mr. ANDERSON. Thank you, Senator Simon and Congressman Evans. It is a pleasure to see you both again, and we at Deere & Company add our welcome to you and your staff to the Quad Cities.

I am Robert Anderson, manager of Public Policy Planning at Deere & Company. Deere is the world's largest manufacturer and marketer of agricultural equipment, and also produces and sells a full line of industrial equipment and grounds care equipment.

In the past few years we have also been establishing new lines of business to supplement our traditional manufacturing enterprise, including credit and insurance services, health maintenance organization management, rotary engine research, and government sales. Our world headquarters are located here in Moline, Illinois.

But as we all know, the continuing five-year economic recovery in this country has not been universally felt. This is particularly true here in our community. The Quad Cities have been severely affected by the downturn in the farm economy and the resulting loss of jobs in the farm equipment industry and other related agribusiness operations. In addition, severe pressure from the worldwide construction equipment industry in general has caused further economic problems here.

With these circumstances as background, we are pleased to commend Senator Simon for his sincere and thoughtful efforts to find ways for others to help people help themselves. There is work here to be done and there are people, as we have heard this morning, willing to work.

The proposed Guaranteed Job Opportunity Act is designed to match the people with the work. Though I understand S.777 is not intended to be a permanent employment proposal, it should help people earn, as opposed to simply receive, money while they continue to look for more permanent employment.

For our neighbors who have exhausted their regular unemployment compensation and other income supplements, the assistance provided by this proposal can be of great help and significance. While Deere & Company hopes and works to ensure that the need for such a program in the future may be minimal, we commend you, Senator Simon, for urging the Congress to establish a program which can help people who want and need work, as well as help the communities which can benefit from their work.

Thank you again for the opportunity to share these thoughts with you this morning.

Senator SIMON. I thank both of you for excellent positive statements, and if I may, Bob Anderson, steal a line from the last few sentences of your comments. Clearly, I don't view this as the answer. The answer is to get Deere & Company going, whether it's HMOs or tractors or what it is, and to getting the private sector providing those jobs. Those are the jobs that are going to pay adequately.

But I think we have to recognize that we have a real problem in our society, and we have to find better answers than we have right now, and not simply for the Quad Cities.

For this area the need is very real, but it is there all over this country. I really appreciate the testimony that both of you have given.

Mr. EVANS. You have not individually, perhaps, but your organizations, Deere, and the chairman were involved in our summit meeting out in Washington. We appreciate the interest in the national bill as well as the local problem, and thank you for your continuing help and input in those matters. You really help us represent people better. Thank you for coming today.

Senator SIMON. And I thank both of you again, and we, frankly, particularly appreciate your positive attitude that this thing isn't perfect, and as we look at it as the bill moves along we may need to make some changes, but I think the basic concept of giving people a chance to be productive and paying them for being productive rather than nonproductive is sound.

Let me just add one, since there are a number of people here—is there anybody else here who wants to add three minutes or five minutes. There are about four people that raised their hands. Let me just take you four very quickly, and ask you to keep it brief. Identify yourselves for the record. Give us your name.

STATEMENT OF JEAN FALK, WORK SEARCH EXPRESS

Ms. FALK. My name is Jean Falk. I'm with the Work Search Express. The idea I got for myself and my own experience, being on welfare and also being a professional nurse not finding the kind of work from this area, I got an idea that only happened because I did not have help from the government.

Right now I'm thankful, for I'm alive. One year ago this next week I had major heart surgery as a result of the stresses that I went through for unemployment. Now, my bills were staggering, twenty thousand dollars.

I want to help those people help themselves also. Along with this job bill, which I think is very, very excellent, I want to come today not only because I am a student here graduating this semester, but I have seen from my educational experience a new awareness of the reality of unemployment, the reality being, Senator Simon and Congressman Evans, would you be willing to take a 100 percent—the federal government now is demanding—this is a scenario. You have to lose 100 percent of your earning without any extra coming in from any other resources for six months in exchange for going in the areas and living with a family who is facing these problems of unemployment.

I realize that's an impossible task, but a lot of us faced the same thing when our jobs were taken. We didn't have anything to rely on. Right now we are existing on child support in our family of three. $415 a month is what I'm living on. But at the same time I have not given up hope yet. I'm like a cat with 29 lives. My nine lives were exhausted years ago, but by the same token what I am trying to do is provide help for those who want to help themselves.

It may be the reality of having to look elsewhere for work. I would like to stay in this area for myself. I have a son. My sixteen-year-old just received an award for the soil and water conservation contest. He wants to follow his father's footsteps and help his

father and grandfather in the farming and trucking industry that they are in right now.

My parents are plagued with excess costs, as well as reaching retirement age, but he still wants to follow what my father is doing in the trucking industry. He wants to keep on the family farm. He's got this dream like we had twenty-one years ago that I could stay in this area and work the rest of my life. Thank you very much.

STATEMENT OF DON MURPHY

Mr. MURPHY. My name is Don Murphy, and like the woman just ahead of me I'm on public assistance. But I'm trying to get off of it. I thought possibly I should start my own business in woodworking, but when I went to try to finance it, I was told I have got to have 25 percent up front. Where is a person going to get that money?

So I thought perhaps in light of your bill that perhaps you could set up a fund for people on welfare, and I talked to social workers about this and they stated that 25 percent of the people on welfare would like to have their own businesses. Set up a fund similar to the SBA only fund it 100 percent instead of 75 percent as SBA has done.

I realize, of course, that you have to have collateral. But the collateral would be whatever tools, machinery, inventory there is. If for some reason or other the business failed that collateral would go back to the school system or some other agency in the area at no cost to them. I feel it would be two things. One, it would get the person off welfare, and, two, it would create jobs because he would be hiring somebody. In my case I would be hiring five or six people.

Senator SIMON. If I may ask you, you are how old?

Mr. MURPHY. Well, I'm old enough. I'm fifty-four.

Senator SIMON. Okay.

Mr. MURPHY. I've got a boy who is turning eighteen. Now under the current welfare rules he is going to be dropped off welfare, but he wants to become a special education teacher. Now as it stands, obviously we can't afford to send him to school, and he will not be able to go to school. So I feel there ought to be some way to let him complete the four years education at Black Hawk through Illinois.

Senator SIMON. If I may comment first on the second part of your statement. Right in back of you is a fellow, Don Johnston. You give your name and address and your son's name, and let me see if we can work on that.

Second, it is very interesting that Great Britain and France have precisely the program that you are talking about to encourage people who are unemployed to get into private business, in a small business. Obviously, some of them fail, but they are also creating a lot of jobs in the process. I think it's an excellent suggestion.

Mr. MYERS. My name is David Myers, and I thank you both very much for coming here. I just want to say I have a degree in machine shop and now I am taking a computer class, and I would just like to say I haven't been able to get a job other than washing dishes for the American Legion in Moline. I like that job, but I cannot live on that for the rest of my life. I just want you to know that I like this job bill, I will give you this.

Senator SIMON. All right. Thank you very much.

STATEMENT OF GENE PETERSON

Mr. PETERSON. My name is Gene Peterson. I live right here in Moline. I'd like to see the public work bill pay about four or four and a half an hour because, from what I understand, you want about 10 percent above the minimum wage, and I don't know if that's enough for a family to live on if you have a family and kids.

I think it should be about four, four and a half and I believe about twenty days a month, because that's the way the WPA used to be years ago.

If you worked every day, like, some months it's 31 days. You got two days off if you weren't sick during the month. I think minimum wage ought to be raised. Now it's $3.35. It ought to be raised to $3.85, and after working there for three months it ought to be $4 an hour.

I think disability—I got laid off on disability because I broke my wrist and fractured by back, and the doctors say I'm 30 percent disability. I think it ought to be easier to get Social Security disability, because I got turned down twice, and the third time took it up before a judge. As I say, you almost have to be—you can't do anything.

Well, I wrote to Lane Evans on that, and I think he's trying to do what he can do, but I think it ought to be less restricted.

Senator SIMON. Thank you. And let me thank you, all of you, and let me thank our reporter, too, and all of you for being here. We certainly appreciate it.

[Whereupon, at 11:00 a.m., the committee adjourned.]

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